NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2006

JON S. CORZINE
Governor

BRADLEY I. ABELOW
State Treasurer

CHARLENE M. HOLZBAUR
State Comptroller

Kathy A. Steepy
Assistant Director
Financial Management

Robert L. Peden
Deputy State Comptroller

James F. Kelly
Manager
Financial Reporting

This document is available via the internet http://www.state.nj.us/treasury/omb

STATE OF NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2006
TABLE OF CONTENTS

INTRODUCTION **Page**

Letter of Transmittal 1
Certificate of Achievement 8

FINANCIAL SECTION

Independent Auditor's Report 11
Management's Discussion and Analysis 14

Basic Financial Statements

Government-wide Financial Statements
Statement of Net Assets 27
Statement of Activities 28
Governmental Fund Financial Statements
Balance Sheet 30
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets 31
Statement of Revenues, Expenditures and Changes in Fund Balance 32
Reconciliation of the Changes in Fund Balances of Governmental Funds to the Statement of Activities 33
Proprietary Fund Financial Statements
Statement of Net Assets 34
Statement of Revenues, Expenses and Changes in Fund Net Assets 36
Statement of Cash Flows 38
Fiduciary Fund Financial Statements
Statement of Fiduciary Net Assets 40
Statement of Changes in Fiduciary Net Assets 42
Component Unit Financial Statements
Statement of Net Assets 44
Statement of Activities 46
Index to the Notes to the Financial Statements 49
Notes to the Financial Statements 50

Required Supplementary Information

Budgetary Comparison Schedule 96
Budgetary Comparison Schedule – Budget to GAAP Reconciliation Major Funds 99
Notes to Required Supplemental Information 101
Schedule of Funding Progress All Pension Trust Funds 102

Combining Financial Statements - Non-Major Funds

Governmental Funds – Non-Major Funds
Balance Sheet – By Fund Type 105
Statement of Revenues, Expenditures and Changes in Fund Balances – By Fund Type 106
Special Revenue Funds
Balance Sheet 108
Statement of Revenues, Expenditures and Changes in Fund Balances 140
Capital Projects Funds
Balance Sheet 172
Statement of Revenues, Expenditures and Changes in Fund Balances 176

Proprietary Funds
Statement of Net Assets 180
Statement of Revenues, Expenses and Changes in Fund Net Assets....181
Statement of Cash Flows 182
Fiduciary Funds
Agency Funds
Statement of Fiduciary Net Assets 184
Statement of Changes in Assets and Liabilities 187
Pension and Other Employee Benefits Trust Funds
Statement of Fiduciary Net Assets 192
Statement of Changes in Fiduciary Net Assets 196
Private Purpose Trust Funds
Statement of Fiduciary Net Assets 200
Statement of Changes in Fiduciary Net Assets 202
Component Units
Statement of Net Assets – Non-Major Component Units....204
Statement of Activities – Non-Major Component Units 205
Authorities
Statement of Net Assets 206
Statement of Activities....212
Colleges and Universities
Statement of Net Assets 218
Statement of Activities....222
Description of Funds 226
Other Information
Capital Assets
Schedule of Changes in Gross Capital Assets by Function....249
Schedule of Gross Capital Assets by Function 250
Schedule of Changes in Accumulated Depreciation by Function....252
Long-Term Debt
Schedule of Long-term Debt....254
Budgetary Schedules
Budgetary Comparison Schedule Non-Major Governmental Funds 256
Budgetary Comparison Schedule-Budget to GAAP Reconciliation – Non-Major Funds....260
Schedule of Anticipated Revenue....261
Schedule of Appropriated Revenue 273
Schedule of Appropriations and Expenditures 274

STATISTICAL SECTION
Statistical Section Index....295
Statistical Schedules 296

State of New Jersey
DEPARTMENT OF THE TREASURY
OFFICE OF MANAGEMENT AND BUDGET
PO BOX 221
TRENTON NJ 08625-0221

JON S. CORZINE
Governor

BRADLEY I. ABELOW
State Treasurer

January 26, 2007

Governor Jon S. Corzine
Members of the State Legislature
New Jersey Citizens

In accordance with the provisions of N.J.S.A. 52:27B-46, we are pleased to transmit to you the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. The Department of the Treasury's Office of Management and Budget prepared this report and is responsible for data accuracy as well as the completeness and fairness of the presentation, including all disclosures.

This Comprehensive Annual Financial Report presents the financial position and operating results of the State under generally accepted accounting principles (GAAP) applicable to State and Local governments as established by the Governmental Accounting Standards Board (GASB). The State also participates in the Government Finance Officers Association of the United States and Canada's (GFOA) review program for the Certificate of Achievement for Excellence in Financial Reporting.

The State operates in accordance with the standards provided in GASB Statements No. 34 and No. 35. The objectives of this reporting model, as reflected in these statements, are to provide a clear picture of the government as a single unified entity as well as providing traditional fund based financial statements. All revenues, costs, assets, and liabilities of the State are shown to clearly portray the State's fiscal health. Management's discussion and analysis is included in order to provide users with an objective and easily readable analysis of New Jersey's financial performance for the fiscal year ended June 30, 2006. We are confident that the data is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of the State's operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs have been included.

The New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006 is organized in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter and the 2005 GFOA Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the independent auditor's report on the basic financial statements, management's discussion and analysis, government-wide financial statements, fund financial statements for governmental funds, proprietary funds, fiduciary funds, and component units, together with notes to the basic financial statements as well as additional required supplementary information (Budgetary Schedules), and the other supplementary information (Combining Fund Statements). The statistical section includes financial trends, revenue capacity, debt capacity, demographic, economic, and operating information.

HIGHLIGHTS AND INITIATIVES

Fiscal Year 2006

- Following the tragic death of several children due to abuse and neglect, a class action lawsuit was settled by the State in June 2003. The settlement created a Child Welfare Reform Panel whose role was to approve a reform plan and to oversee its implementation over an 18 month period. The plan, titled A New Beginning: Child Welfare Reform in New Jersey, was approved on June 9, 2004, and incorporated as part of the settlement. The Fiscal Year 2006 Appropriations Act provided an additional $55.0 million in State funds to sustain and expand Child Welfare Reform efforts. Some of the implemented reforms are as follows:
    - Organization of Children's Services. All child welfare services have been restructured under the new Department of Children and Families. Within this new organization, the Division of Youth and Family Services, the Division of Child Behavioral Health, the Division of Prevention and Community Partnerships, and the Child Welfare Training Academy have been merged.

- Additional Caseworkers and Support Staff. The Fiscal Year 2006 Appropriations Act provided funding for additional employees that allowed the Division of Youth and Family Services to move towards its goal of achieving caseload to staff ratios of 12 to 1 for protective staff and 15 to 1 for permanency staff.

- The Fiscal Year 2006 Appropriations Act increased State appropriations for several programs that benefited the developmentally disabled. As part of the Department of Human Services Division of Developmental Disabilities' ongoing Community Service Waiting List initiative, funding was made available to place 200 people from the existing Community Services Waiting List and the seven State developmental centers into group homes. This was a 3.0 percent increase over the prior fiscal year, with full year funding totaling $12.6 million. A new program, Real Life Choices, provides in-home/respite services for people on the Community Services Waiting List and for people living at home with parents and guardians. Real Life Choices reduces the Community Services Waiting List by providing home support for disabled persons and their families as an alternative to residential placements. Each year, the Division of Developmental Disabilities receives approximately 200 requests for immediate, emergency residential placements. The requests include people whose caregivers, usually elderly parents, are no longer able to provide care because of their own medical problems. An additional $7.0 million was earmarked to meet this anticipated need.

Fiscal Year 2007

- The Fiscal Year 2007 Budget provides for a constitutional ballot measure that enables the State's General Fund to provide for the annual dedication and annual appropriation of an amount equal to the annual revenue derived from a tax rate of 0.5 percent imposed under the New Jersey Sales and Use Tax, exclusively for the purpose of property tax reform, through a special Property Tax Reform Account established in the Property Tax Relief Fund. This measure is expected to provide $600.0 million in property tax relief. This November, the citizens of New Jersey approved this referendum.

- Although fiscal constraints limit the ability to fully fund pension costs, the Fiscal Year 2007 Appropriations Act accelerates toward full funding and provides a funding increase of $868.0 million to the State's pension systems. This amount represents more than the State's total combined contribution to the State pension systems from Fiscal Year 1997 through Fiscal Year 2006.

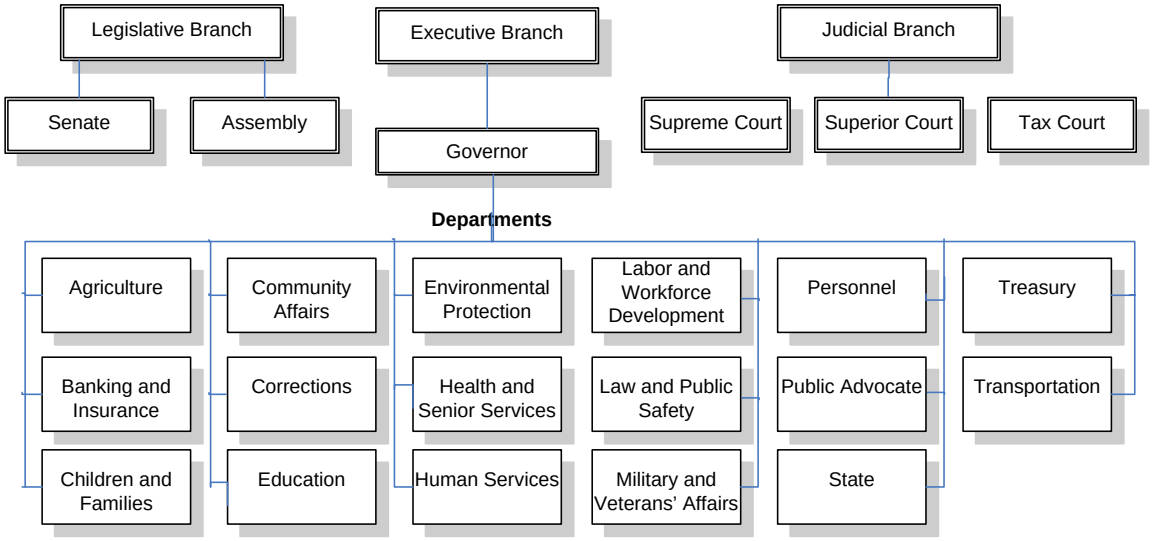
- The Fiscal Year 2007 Budget recognizes that federal funding for special education falls dramatically short. When the Individuals with Disabilities Education Act was first established, the federal government promised to pay 40.0 percent of the national average of per pupil expenditure. However, current federal funding is less than 20.0 percent. The Fiscal Year 2007 Budget provides $15 million for a grant program for school districts operating or starting up in-district programs for students with autism spectrum disorders. Districts will be able to use these funds for professional development, personnel costs, special education teachers, program coordinators, behavior intervention specialists, parent outreach, transition planning, assistive technology, and similar activities. Also included in the Fiscal Year 2007 Budget is $4.5 million in new grants funding for planning and start-up costs for districts that seek to develop or enhance their special education programs.

- Recognizing the need for repairs and maintenance, the Fiscal Year 2007 Budget provides $9 million for capital improvements in State parks, forests, wildlife management areas, and historic sites. The Department of Environmental Protection plans to undertake critical health and safety improvements including demolition of unsafe structures, asbestos removal, and lead abatement. Major projects include restorations of State-owned historic sites, such as Batsto and Atsion Mansions, Rockingham, Waterloo Village, and the historic train sheds at Liberty State Park.

NEW JERSEY GOVERNMENT

The Executive Branch is headed by the Office of the Chief Executive, which includes the Governor and staff that assist in the execution of the Governor's constitutional powers and duties. The Governor is the State's chief operating officer, and assists in directing and coordinating the activities of the various State departments. These duties include the implementation of new laws and activities, as well as ongoing responsibilities associated with existing laws, and other essential aspects of governing. The Office of the Chief Executive is active in the review and formulation of proposals of law that are ultimately submitted to the State Legislature. Staff assists in the development of public policy affecting the citizens of the State, and in the implementation of the State's fiscal plan once it is adopted.

ORGANIZATION OF NEW JERSEY STATE GOVERNMENT



The Executive Branch consists of 17 departments comprising approximately 70,100 employees. The maximum number of departments permitted by the State Constitution is 20. Each department is headed by a single executive; four also have boards with policy-making and oversight responsibilities. Department heads and board members are appointed by the Governor with the advice and consent of the Senate, except for the Secretary of Agriculture, who is chosen by the Board of Agriculture with the approval of the Governor. Department heads continue in office until successors are named and confirmed by the Senate, with the exception of the Attorney General and the Secretary of State, who are appointed to serve during the Governor's term. The Executive Branch oversees the performance of 566 municipalities and 611 school districts, and the incarceration and rehabilitation of approximately 27,000 prisoners. The Executive Branch also provides social services for one out of eight New Jersey citizens, reliable transportation, and protection for the State's citizenry and environment.

The State Senate and the General Assembly comprise New Jersey's Legislative Branch. There are 40 legislative districts with elections being held in odd-numbered years. There are 40 members of the State Senate. State Senators are elected to terms of four years, except for the election following a decennial census, in which case the term is for two years**.** There are 80 members of the General Assembly; each is elected to a two-year term. The Office of Legislative Services is a nonpartisan agency that provides legislators with legal, fiscal, research, information, and administrative services. It is organized with an executive director, a legislative counsel, the state auditor, a director of central staff, a director of data management, and a director of administration.

The Judicial Branch consists of the Supreme Court, the Appellate Division of the Superior Court, and the Tax Court. Judges are nominated by the Governor and must be confirmed by the Senate. Terms are for seven years. For purposes of judicial administration, the State is divided into 15 vicinages, each consisting of a single county or a combination of counties. The Administrative Office of the Courts provides support services. Approximately 7.0 million new cases are filed in New Jersey's courts every year, including 6.0 million in Municipal Court and 1.0 million in Superior Court. These cases address matters concerning civil, criminal, and family law.

COMPONENT UNITS

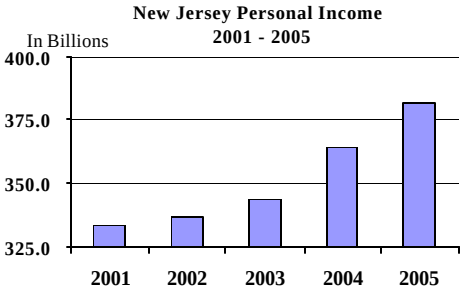
This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006 includes the accounts of 22 public authorities, and 12 State colleges and universities in accordance with the requirements of GASB Statement No. 14, *The Financial Reporting Entity*. Public authorities are legal, separate entities that are not operating departments of the State. Governing boards are vested with the power to independently manage. Each component unit is established for a specific purpose for the benefit of the State's citizenry. GASB Statement No. 14 provides that the State's financial statements should emphasize the primary government and permit financial statement users to distinguish between the primary government and its component units. As a result, the transmittal letter, management's discussion and analysis, and the financial statements focus on the primary government of the State and its activities, although information pertaining to the component units is presented. For additional information, please see Note 19 – Component Units.

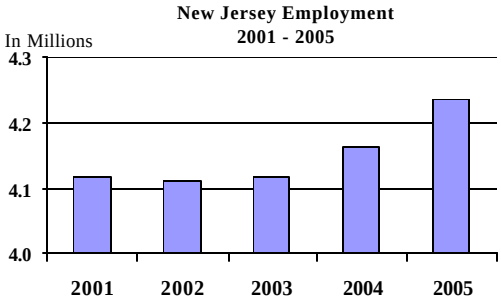
NEW JERSEY'S ECONOMIC CONDITION

New Jersey's economy continues to expand in 2006 but at a slower pace than 2005. New Jersey added approximately 116,300 jobs between the bottom of the employment cycle in March 2003 and June 2006. Payroll employment is growing at an average annual rate of 0.9 percent in 2006 after growing at rates of 1.2 percent in 2005, and 0.5 percent in 2004. The level of payroll employment in June 2006, 4.1 million, surpassed the last record level reported in December 2000 for the seventeenth month in a row.

The generally improving labor market conditions have kept the State's jobless rate below 5.0 percent in June 2006 for the twenty-third time since June 2004, after a brief higher reading in April and May (5.1 percent and 5.0 percent, respectively). New Jersey's unemployment rate remains slightly above the national unemployment rate.

According to the United States Bureau of Economic Analysis (release dated June 22, 2006), the preliminary growth rate for New Jersey's personal income of 5.1 percent for the first quarter of 2006 came in above the revised growth rate of 4.3 percent for the fourth quarter of 2005. The average annual growth in personal income for New Jersey is expected to continue to improve at a moderate pace in 2006.





Housing, which has been a robust sector, is expected to cool off in the months ahead with housing permits in 2006 to stay around 25,000 plus units, below the estimated 27,000 plus units for 2005. Vehicle registrations for 2005 were 2.6 percent below 2004 with 2006 vehicle registrations through June remaining at the 2005 level.

New Jersey's and the nation's economy is expected to continue expanding through the rest of 2006 and into 2007. The recently released Beige Book on economic performance dated June 14, 2006 from the United States Federal Reserve Board is slightly less upbeat when compared to previous reports, reflecting an economy in transition that is adjusting to elevated energy prices and higher interest rates. The latest New Jersey economic forecasts from Global Insight, Moody's Economy.com, and Rutgers University project continued economic growth at a moderate pace. All expect a gradual easing in the economic momentum as the housing market slows down.

New Jersey's economy is expected to follow the national trend for the rest of the year, and into 2007. Employment is projected to grow at a 0.9 percent rate in 2006 and at a 0.7 percent rate in 2007. Personal income is expected to grow steadily at a 6.0 percent rate in 2006 and 2007. The housing sector is expected to cool in 2006 to 33,000 units with further slowing in 2007. New motor vehicle registrations are projected to be above the 620,000 units in 2006 and improve in 2007.

Despite the surge in energy prices, inflation is expected to remain under control. Low interest rates have supported spending on housing and other consumer durables in the State. However, should interest rates continue to rise in 2006, it will have a moderating influence on interest-sensitive spending in the economy.

The State and the nation may experience further near-term slow growth and the expected pace of economic expansion may stall if consumers, investors, and businesses become more concerned about energy prices and geopolitical tensions. To a large extent, the future direction of economic expansion nationally and in New Jersey hinges on assumptions of stable energy prices and financial markets, along with supportive monetary and fiscal policies and geopolitical stability. However, the fundamentals of the State's economic health remain stable and the long term prospects for economic growth of the State in 2006 and beyond are favorable.

The Statistical Section contains various demographic and economic tables for New Jersey.

BUDGET AND ACCOUNTING

Budget Process

The State Constitution, as well as certain statutes, governs the State's budget and appropriation process. Each department, board, commission, office or other agency of the State begins the budget process by filing with the Director of the Office of Management and Budget (the "Director") a request for appropriation or permission to spend, specifying all expenditures proposed to be made by such spending agency during the following fiscal year. The Director examines each request and determines the necessity or advisability of the appropriation request. After review and examination, the Director submits the requests, together with findings, comments, and recommendations, to the Governor. It is the Governor's responsibility to examine and consider all requests and formulate budget recommendations. The Governor's Budget Message is transmitted on the fourth Tuesday in February, unless otherwise provided through legislation.

During the course of the fiscal year, the Governor may take steps to reduce State appropriations if it appears that revenues have fallen below those originally anticipated. The Governor, with approval from the State Legislature, may enact supplemental appropriations after the adoption of the annual Appropriations Act, should there be sufficient revenues on hand or anticipated, as certified by the Governor, to meet such appropriation.

New Jersey's budget process is comprehensive and inclusive, involving every agency in the Executive branch, the Legislature, the Judiciary, and through a series of public hearings, the citizens of the State. It begins in the summer prior to the budget year with preliminary projections of revenues and expenditures, which are the basis for development of budget targets for each branch, department, and agency. Individual agencies are asked to prepare a funding plan or strategy for operating within the established target in the upcoming budget year that includes an analysis of the costs, benefits, and priorities of every program. These plans are the foundation for revenue and spending decisions that are ultimately incorporated into the budget recommendations presented by the Governor and enacted by the Legislature.

Legal Level of Control

The State's Annual Appropriations Act includes the General Fund and certain Special Revenue Funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief Funds). Legal control is maintained within the departments at the appropriation line item level. Budgetary control is exercised at the department level by individual appropriations and allocations within appropriations to various programs and major expenditure objects. Program classifications represent a lower level, operating program function, consisting of closely related activities with identifiable objectives or goals. During the budget year, revisions to the annual Appropriations Act reflecting program changes or interdepartmental transfers of an administrative nature may be effected with certain Executive and Legislative Branch approvals. Under the "General Provisions" section of the State's annual Appropriations Act, management may amend the budget within a department with the Director of the Office of Management and Budget's approval. Under specific conditions, additional approval by the Office of Legislative Services is required. Only the State Legislature, however, may transfer appropriations between departments.

Accounting Systems

For the various State departments, accounting records are maintained by a central accounting system. System operations are directed and supervised by the Office of Management and Budget. The State's annual budget is composed of individual appropriations to departments for specific programs and purposes. Component units maintain separate accounting systems.

Encumbrance accounting is employed to ensure that expenditures do not exceed appropriations and allocations. Purchase orders, contracts, and other commitments involving monetary expenditures are encumbrances. Any unencumbered and unexpended non-continuing appropriations lapse at fiscal year's end.

Consideration as to the adequacy of internal controls is paramount in developing and maintaining the State's accounting system. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and that financial records are reliable for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from its use, and that the evaluation of costs and benefits require managerial estimates and judgments. All internal control evaluations occur within this framework.

RELEVANT FINANCIAL POLICIES

The State Constitution mandates a balanced budget. It provides, in part, that no money shall be drawn from the State Treasury but for appropriations made by law and that no law appropriating money for any State purpose shall be

enacted if the appropriations contained therein, together with all prior appropriations made for the same fiscal period, shall exceed the total amount of the revenue on hand and anticipated to be available to meet such appropriations during such fiscal period, as certified by the Governor. During the fiscal year, the State may have to make several revenue and expenditure adjustments to ensure a positive fund balance. The State has had a balanced budget in every fiscal year since the adoption of the State Constitution in 1947.

As part of the General Fund's resources and fund balance, the Surplus Revenue Fund was created as a rainy day fund. It is used to account for excess revenues from prior fiscal years that are legislatively reserved and may be used to support current year's appropriations in the event that anticipated revenues in the General Fund are estimated to be less than those certified by the Governor upon approval of the annual Appropriations Act. The Surplus Revenue Fund was designed to build fund balance during economic upswings, and to be expended during economic downturns and emergency situations. An example of revenue collections outpacing projections occurred during Fiscal Year 2006, when $271.1 million was deposited into the Surplus Revenue Fund. An example of an emergency situation that resulted in tapping the Surplus Revenue Fund occurred in Fiscal Year 2000 when the State needed $26.9 million in emergency disaster relief funds to aid flood victims of Hurricane Floyd.

The State's budgetary basis of accounting differs from that utilized to present fund financial statements in conformance with GAAP. The main differences between the budgetary basis and the GAAP basis used to present fund financial statements are that under the budgetary basis encumbrances are recognized as expenditures, the federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year. In addition, under the GAAP basis in the fund financial statements, certain grants and other financial assistance are required to be recorded as revenues and expenditures.

FINANCIAL TRENDS

Children and Families

In response to a child welfare system that has been in a state of crisis, aggressive reform has required a focus that was not possible under the current Department of Human Services structure. July 1, 2006 marks the creation of the Department of Children and Families that will be initially composed of divisions in the Department of Human Services that focused on child protection, welfare, education and permanency, child behavioral health, and abuse prevention. While building on its accomplishments from the prior year, the Fiscal Year 2007 Budget for the Department of Children and Families totals $974.8 million. This amount reflects a $235.6 million increase over the prior year's associated funding under the Department of Human Services. The entire $235.6 million is dedicated to child welfare services and operations, with no new funding dedicated to costs associated with establishing the new department. A new interim body, the Governor's Task Force on Human Service Restructuring, will be empanelled to evaluate existing resources within State government and to make recommendations for efficiency and alignment of resources to improve services in the areas of child welfare in the Department of Children and Families and for vulnerable residents being served by the Department of Humans Services.

Corrections

The Department of Corrections' mission is to ensure that all persons committed to the State's correctional institutions are confined with the level of custody necessary to protect the public, and that they are provided with the care, discipline, training, and treatment needed to prepare them for reintegration into the community. The Fiscal Year 2007 Budget totals $1.076 billion. The Division of Operations, with a budget of $861.5 million, is responsible for 14 major institutions. Collectively, county jails, community treatment programs and these facilities, house approximately 27,000 inmates in minimum, medium, and maximum security levels. The Division of Programs and Community Services offers an array of institutional and community-based programs for offenders, including community labor assistance, academic and vocational educational programs, recreational programs, library services, and substance abuse treatment. The State's Parole Board, with a budget of $98.5 million, promotes the effective and efficient assessment of inmates prior to parole and the efficient supervision of parolees after they have attained parole status. In recent years, the Department has established a Sex Offender Management Unit, and a Satellite-based Monitoring (GPS) of Sex Offenders Pilot Program. The Department has also recently completed collecting DNA samples of all of it offenders, as well as implementing a Community Notification System that alerts citizens in the case of a correctional emergency, such as an escape, fire or evacuation.

Public Advocate

During January 2006, the Department of the Public Advocate was restored as a principal department in the Executive Branch of State government. The Department is mandated to provide consumer protection and advocacy on behalf of the indigent, the elderly, children and other persons unable to protect themselves as individuals of a class. Since January 2006 the Department has been working to reestablish the divisions and functions that existed prior to its abolishment in 1994. This includes the Division of Citizens Relations and the Division of Public Interest Advocacy.

Other similar functions that existed independently or were parts of other State agencies have been consolidated into the Department of the Public Advocate. These include ombudspersons and ratepayer advocate functions. The Fiscal Year 2007 Budget totals $19.4 million, a $3.2 million increase over the prior fiscal year.

AUDIT INFORMATION

The principal auditor of the State's reporting entity is the Office of the State Auditor, which resides in the legislative branch of State government. The State Auditor's examination was conducted in accordance with generally accepted auditing standards and its opinion precedes the Basic Financial Statements. Outside public accounting firms have been used for the audits for separately issued component units and college and university financial statements. In addition, the Office of the State Auditor conducts periodic financial and expanded scope audits of the various State agencies.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to the State of New Jersey for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. In order to qualify, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The State of New Jersey has received this award every year since 1993.

ACKNOWLEDGEMENTS

Finally, we would like to express our appreciation to the many dedicated professionals in the Office of Management and Budget and the Office of the State Auditor whose efforts made possible the preparation of this report. We believe that their combined efforts have produced a report that will provide a means for government, the financial community, decision makers, and concerned citizens to better understand and evaluate the State's financial condition.

Sincerely,

Bradley I. Abelow
State Treasurer

Charlene M. Holzbaur
State Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of New Jersey

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

LEGISLATIVE SERVICES COMMISSION

ASSEMBLYMAN
JOSEPH J. ROBERTS, JR.
Chairman

SENATOR
LEONARD LANCE
Vice-Chairman

SENATE

ANTHONY R. BUCCO
RICHARD J. CODEY
NIA H. GILL
BERNARD F. KENNY, JR.
ROBERT E. LITTELL
ROBERT W. SINGER

GENERAL ASSEMBLY

CHRISTOPHER "KIP" BATEMAN
PETER J. BIONDI
FRANCIS J. BLEE
JOHN J. BURZICHELLI
ALEX DECROCE
JOAN M. QUIGLEY
BONNIE WATSON COLEMAN

New Jersey State Legislature

OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR
125 SOUTH WARREN STREET
PO BOX 067
TRENTON NJ 08625-0067

ALBERT PORRONI
Executive Director
(609) 292-4625

RICHARD L. FAIR
State Auditor
(609) 292-3700
FAX (609) 633-0834

The Honorable Jon S. Corzine
Governor of New Jersey

The Honorable Richard J. Codey
President of the Senate

The Honorable Joseph J. Roberts, Jr.
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of and for the year ended June 30, 2006, which collectively comprise the State's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the State of New Jersey's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, the pensions and other employee benefits trust funds, and the Port Authority of New York and New Jersey which represent 100 percent of the assets and revenues of the aggregate discretely presented component units, 100 percent of the assets and revenues of the Health Benefits Local Government Employers Program Fund which is a major proprietary fund, 89 percent of the assets and 40 percent

of the revenues (including additions) of the aggregate remaining fund information, and 100 percent of the information disclosed in Note 2-E of the basic financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts and disclosures included for the component units, the pensions and other employee benefits funds, and the Port Authority of New York and New Jersey, are based solely on the reports of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

The financial statements of the University of Medicine and Dentistry of New Jersey have not been audited, and we were not engaged to audit those financial statements as part of our audit of the State of New Jersey's basic financial statements. This entity is audited by other auditors; however, their report was not finalized as of the date of this report. The University of Medicine and Dentistry of New Jersey's financial activities are included in the State of New Jersey's basic financial statements as a discretely presented component unit and represent 6 percent, 7 percent, and 17 percent of the assets, net assets, and revenues, respectively, of the State of New Jersey's aggregate discretely presented component units.

In our opinion, based on the reports of other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had the University of Medicine and Dentistry of New Jersey's financial statements been audited, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the State of New Jersey as of June 30, 2006, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State of New Jersey as of June 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2007 on our consideration of the State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to

provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison schedules, and the funding progress schedule for all pension trust funds are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose on forming opinions on the financial statements that collectively comprise the State of New Jersey's basic financial statements. The introductory section, combining financial statements – non-major funds section, other information section and the statistical section, listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements – non-major funds section and the other information section have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Richard L. Fair
State Auditor
January 26, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following narrative provides an overview and analysis concerning New Jersey State Government's financial performance of its activities for the fiscal year ended June 30, 2006. Readers should consider this information in conjunction with the transmittal letter, which precedes Management's Discussion and Analysis, and the State's financial statements, which follow.

The State, since July 1, 2002 has been accounting and reporting under the standards outlined in the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Therefore, a majority of the information provided is not easily comparable to reporting periods prior to the fiscal year ended June 30, 2002. Year-to-year comparisons are provided in the Management's Discussion and Analysis and the Statistical Section. It is the intent of GASB Statement No. 34 to provide meaningful comparisons that will further explain the State's financial position and results of its operations.

FINANCIAL HIGHLIGHTS

Government-wide

- The primary government's assets total $35.4 billion, an increase of $4.4 billion from the prior fiscal year. This increase was the result of a $3.4 billion increase in investments as well as a $1.0 billion increase in the State's capital assets. As of June 30, 2006, liabilities exceeded assets by $6.6 billion. The State's unrestricted net assets, which represent net assets that have no statutory commitments and are available for discretionary use, totaled a negative $19.7 billion. The negative balance is primarily a result of financing unfunded actuarial liabilities in the State's pension fund systems and uninsured motorist funds, financing local elementary and high school construction, and securitizing tobacco master settlement agreement receipts.

- June 30, 2006 component unit assets exceeded component unit liabilities by $14.2 billion. Total component unit assets grew to $35.9 billion, a $420.2 million increase in assets from the prior fiscal year. Higher capital assets represent a majority of this increase.

Fund Level

- The State's governmental funds reported June 30, 2006 combined ending fund balances of $11.5 billion, an increase of $3.3 billion from the prior fiscal year. Of this amount, $2.4 billion represents unreserved undesignated fund balances with the remainder reserved for specific, legislated purposes, management reserves, and constitutional dedications. The General Fund's total ending fund balance is $4.4 billion, with $1.2 billion unreserved - undesignated.

- Proprietary Funds reported June 30, 2006 net assets of $1.5 billion. During the fiscal year, this amount decreased by $183.8 million.

Long-term Debt

- The State's long-term debt obligations increased 17.7 percent, to $37.4 billion, which includes a net increase in bonded debt of $4.5 billion.

- During the fiscal year, the State issued $7.1 billion in bonds. New money issuances represented $4.7 billion for transportation and education system improvements, while $2.4 billion represented six refunding transactions that provided the State with $48.8 million in net present value savings. During the fiscal year ended June 30, 2006, the State paid $1.9 billion in debt service on its long-term debt components. Non-bonded portions of the State's long-term debt total $5.6 billion. This amount represents a $1.1 billion increase from the prior fiscal year and is mainly attributable to increases in net pension obligations.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. Both statements present different views of the State's financial information. The Comprehensive Annual Financial Report includes Notes to the Financial Statements; Required Supplementary Information (Budgetary Schedules) as well as Other Information.

Major Features of the Basic Financial Statements				
	Government-wide	Fund Financial Statements		
Features	Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire State government (except fiduciary funds) and the State's component units	State activities that are not proprietary or fiduciary	State activities that are operated similar to a private business	Instances in which the State is the trustee or agent for someone else's resources
Required Financial Statements	* Statement of Net Assets * Statement of Activities	* Balance Sheet * Statement of Revenues, Expenditures, and Changes in Fund Balance	* Statement of Net Assets * Statement of Revenues, Expenses, and Changes in Net Assets * Statement of Cash Flows	* Statement of Fiduciary Net Assets * Statement of Changes in Fiduciary Net Assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Types of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be available and liabilities that are due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Types of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	* Revenues for which cash is received during or soon after the end of the fiscal year * Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements

Government-wide financial statements provide a broad view of the State's operations conforming to private sector accounting standards and provide both short-term and long-term information regarding the State's overall financial position through the fiscal year end. The government-wide financial statements include the following two statements:

- **Statement of Net Assets** Presents all of the State's assets and liabilities and calculates net assets. Increases or decreases in the State's net assets over time may serve as a useful indicator as to whether or not the State's overall financial position is improving or deteriorating.

- **Statement of Activities** Presents how the State's net assets changed during Fiscal Year 2006. All changes in net assets are reported when the underlying event occurs, giving rise to the change, regardless of the timing of related cash flows. This statement also presents a comparison between direct expenses and program revenues for each State function.

Both the Statement of Net Assets and the Statement of Activities have separate sections that report three activities:

- **Governmental Activities** The majority of State service functions fall into this category, which includes Executive, Legislative, and Judicial Branch operations. Governmental activity functions rely heavily on State taxes and federal grant receipts for funding their respective programs and functions.

- **Business-type Activities** Certain State operations that are legislatively able to charge fees to external users to recover all or a portion of the cost of the services that are provided are classified as business-type activities. The State Lottery Fund and the Unemployment Compensation Fund are two such examples.

- **Component Units** Legally separate operations and organizations for which the State has financial accountability are considered component units. The State has 22 authorities, of which the New Jersey Building Authority, the Garden State Preservation Trust, the New Jersey Transportation Trust Fund Authority, and the Tobacco Settlement Financing Corporation, Inc. are blended into governmental activities, and 12 colleges and universities that are reported as component units. These component units operate as business-type activities and are presented in two categories, major and non-major which is determined, generally, by the relative size of the entity's assets, liabilities, revenues, and expenses when compared to the total of the related component units. A list of the State's component units is shown in Notes 1B – Significant Accounting Policies – Financial Reporting Entity and Note 19 – Component Units in the Notes to the Financial Statements. Audit reports of the individual component units can be obtained from their respective administrative offices.

Reconciliation of Government-wide and Fund Financial Statements

The Comprehensive Annual Financial Report includes two schedules that reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the financial reporting impacts of transitioning from a modified accrual basis of accounting to a full accrual basis of accounting:

- Capital assets used in governmental activities are not reported on governmental fund financial statements.

- Capital outlay spending results in capital assets on the government-wide statements, but are reported as expenditures on the governmental fund statements.

- Bond and note proceeds result in liabilities on the government-wide financial statements, but are recorded as other financing sources on the governmental fund financial statements.

- Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental fund financial statements.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and fund financial statements.

Fund Financial Statements

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The State's fund financial statements reflect financial reporting practices in accordance with this definition. The State's funds, which excludes components units, are divided into three categories – governmental, proprietary, and fiduciary.

- **Governmental Funds Financial Statements** Most direct state services are financed through governmental funds, which are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental funds' financial statements focus on current inflows and outflows of expendable resources and the unexpended balances at the end of a fiscal year that are available for future spending. Governmental fund information helps determine whether or not there was an addition or a reduction in financial resources that can be spent in the near future to finance State programs.

  The State's governmental funds are the General Fund, Special Revenue Funds, and Capital Projects Funds. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The basic governmental funds' financial statements can be found immediately following the government-wide financial statements.

- **Proprietary Funds Financial Statements** Proprietary funds are used to account for State business-type activities. Since these funds charge fees to external users, they are known as enterprise funds. Proprietary funds provide the same information as government-wide financial statements and use the accrual basis of accounting.

- **Fiduciary Funds Financial Statements** Fiduciary funds, which include State pension fund systems, are used to account for resources held by the State for the benefit of parties outside of State government. Fiduciary funds are

reported using the accrual basis of accounting, in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. Government-wide financial statements exclude fiduciary fund activity and balances since the assets are legislatively restricted in purpose and do not represent discretionary assets the State can use to fund its operations.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional background information that assist the reader in understanding the data provided in the government-wide financial statements and fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes budgetary schedules that reconcile the statutory intent of the program with fund balances in accordance with generally accepted accounting principles at fiscal year end as well as variances between the final budget and actual results on a budgetary basis. Also there is a Schedule of Funding Progress for all Pension Trust Funds.

Combining Financial Statements

Combining financial statements are presented for the non-major governmental, proprietary and fiduciary funds. Non-major funds are shown in the aggregate in the basic financial statements.

Other Information

Information on New Jersey's capital assets, long-term debt, and non-major budgetary comparison schedules are displayed in this section. Schedules of Anticipated and Appropriated Revenues provide detailed information on major and miscellaneous taxes, fees, and other revenues. The Schedule of Anticipated Revenue provides further analysis by showing dollar and percentage variances of actual collections as compared to the original anticipation. The Schedule of Appropriations and Expenditures, shown in this section, details the comparison of expenditures at the legal level of control to the final budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The State's fiscal year ended combined net assets totaled a negative $6.6 billion. Fiscal Year 2006 activities showed a $711.1 million decrease in combined net assets, with net assets of governmental activities decreasing by $527.3 million, and business-type activities decreasing by $183.8 million.

Net Assets
For Fiscal Year Ended June 30
(Expressed In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2006	2005*	2006	2005*	2006	2005*
Current and other noncurrent assets	$ 15,794.1	$ 12,094.3	$ 2,814.5	$ 3,095.4	$ 18,608.6	$ 15,189.7
Capital assets, net	16,821.7	15,853.9	--	--	16,821.7	15,853.9
Total Assets	32,615.8	27,948.2	2,814.5	3,095.4	35,430.3	31,043.6
Current liabilities	5,016.6	3,742.1	670.7	508.6	5,687.3	4,250.7
Noncurrent liabilities	35,743.7	31,823.3	646.0	905.2	36,389.7	32,728.5
Total Liabilities	40,760.3	35,565.4	1,316.7	1,413.8	42,077.0	36,979.2
Net Assets:						
Invested in capital assets, net of related debt	5,952.7	6,575.3	--	--	5,952.7	6,575.3
Restricted	5,625.8	4,795.3	1,500.6	1,682.9	7,126.4	6,478.2
Unrestricted	(19,723.0)	(18,987.8)	(2.8)	(1.3)	(19,725.8)	(18,989.1)
Total Net Assets	$ (8,144.5)	$ (7,617.2)	$ 1,497.8	$ 1,681.6	$ (6,646.7)	$ (5,935.6)

* Fiscal Year 2005 has been restated.

Restricted net assets are the largest component of the State's net assets. Capital assets, net of depreciation, are used by the State to provide services to citizens; consequently these assets are not available for future spending. Land, land improvements, buildings and improvements, machinery and equipment, infrastructure (roads, bridges, and other

immovable assets), and construction in progress are shown less any related outstanding debt used to acquire these assets.

Changes in Net Assets

The State's Fiscal Year 2006 net assets decreased by $711.1 million. During Fiscal Year 2006, the State disbursed $1.4 billion to the New Jersey Schools Construction Corporation to help finance school facilities construction throughout the state. Approximately 53.4 percent of the State's total revenue came from general taxes, while 21.7 percent was derived from charges for services. Operating grants amounted to 19.6 percent of total revenues, while other items such as governmental subsidies and grants, capital grants, interest and investment earnings, and miscellaneous revenues accounted for the remainder. State expenditures cover a range of services. The largest expense, 28.0 percent was for educational, cultural, and intellectual development. Physical and mental health amounted to 19.2 percent of total expenditures, while government direction, management, and control amounted to 16.3 percent. Other major expenditures focused on economic planning, development, and security, public safety and criminal justice, and community development and environmental management. During Fiscal Year 2006, governmental activity expenses exceeded program revenues, resulting in the use of $30.5 billion of general revenues (mostly taxes and transfers). Revenues from business-type activities in Fiscal Year 2006 exceeded expenses by $602.0 million.

The deficit in unrestricted governmental net assets arose primarily as a result of the cost of the State's school facilities construction program, depreciation expense related to capital assets, and certain liabilities that are required to be included in the government-wide financial statements.

Statement of Activities
For Fiscal Year Ended June 30
(Expressed In Millions)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2006	2005*	2006	2005*	2006	2005*
Revenues						
Program revenues						
Charges for services	$ 5,000.6	$ 4,601.5	$ 5,859.9	$ 5,898.4	$ 10,860.5	$ 10,499.9
Operating grants	9,708.5	9,156.4	102.9	103.6	9,811.4	9,260.0
Capital grants	174.3	125.8	–	--	174.3	125.8
General revenues						
General taxes	26,714.1	23,308.2	–	--	26,714.1	23,308.2
Interest and investment earnings	183.0	84.3	–	--	183.0	84.3
Miscellaneous	1,627.3	1,569.1	–	--	1,627.3	1,569.1
Total Revenues	43,407.8	38,845.3	5,962.8	6,002.0	49,370.6	44,847.3
Expenses						
Public safety and criminal justice	2,827.9	2,916.8	–	--	2,827.9	2,916.8
Physical and mental health	9,729.9	9,565.4	–	--	9,729.9	9,565.4
Educational, cultural, and intellectual development	14,200.5	13,609.3	–	--	14,200.5	13,609.3
Community development and environmental management	2,205.4	1,997.6	–	--	2,205.4	1,997.6
Economic planning, development, and security	4,914.9	4,123.7	–	--	4,914.9	4,123.7
Transportation programs	2,435.1	1,724.2	–	--	2,435.1	1,724.2
Government direction, management, and control	8,280.6	8,086.4	–	--	8,280.6	8,086.4
Special government services	239.6	291.6	–	--	239.6	291.6
Interest expense	537.0	791.6	–	--	537.0	791.6
State Lottery Fund	–	--	1,573.3	1,476.4	1,573.3	1,476.4
Unemployment Compensation Fund	–	--	1,828.5	1,948.5	1,828.5	1,948.5
Health Benefits	–	--	1,959.0	1,860.6	1,959.0	1,860.6
Total Expenses	45,370.9	43,106.6	5,360.8	5,285.5	50,731.7	48,392.1
Excess (Deficiency) Before Contributions and Transfers	(1,963.1)	(4,261.3)	602.0	716.5	(1,361.1)	(3,544.8)
Transfers	1,435.8	1,032.6	(785.8)	(732.6)	650.0	300.0
Increase (Decrease) in Net Assets	(527.3)	(3,228.7)	(183.8)	(16.1)	(711.1)	(3,244.8)
Net Assets - July 1	(7,617.2)	(4,388.5)	1,681.6	1,697.7	(5,935.6)	(2,690.8)
Net Assets - June 30	$ (8,144.5)	$ (7,617.2)	$ 1,497.8	$ 1,681.6	$ (6,646.7)	$ (5,935.6)

* Fiscal Year 2005 has been restated.

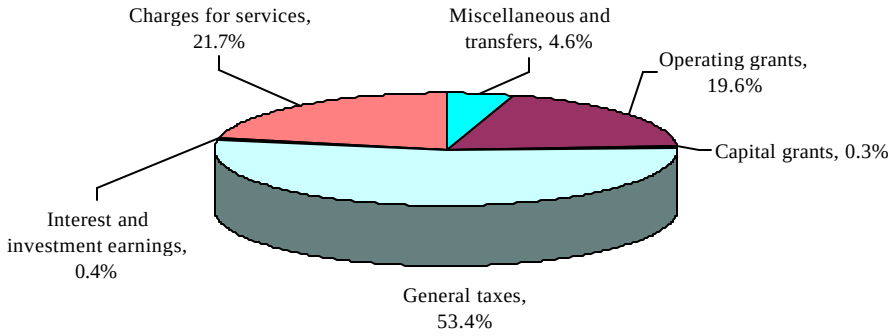
Primary Government – Fiscal Year 2006 Revenues and Expenditures

During Fiscal Year 2006, State revenues, including transfers, totaled $50.0 billion, an increase of $4.9 billion from the prior fiscal year. General taxes totaled $26.7 billion and accounted for 53.4 percent of total State revenues for Fiscal Year 2006. This amount reflects a $3.4 billion increase from the prior fiscal year. The State's Gross Income Tax totaled $11.1 billion, the Sales and Use Tax totaled $6.8 billion and the Corporation Business Tax totaled $3.2 billion. The State's three major taxes comprised 79.0 percent of the total general taxes that were collected during Fiscal Year 2006.

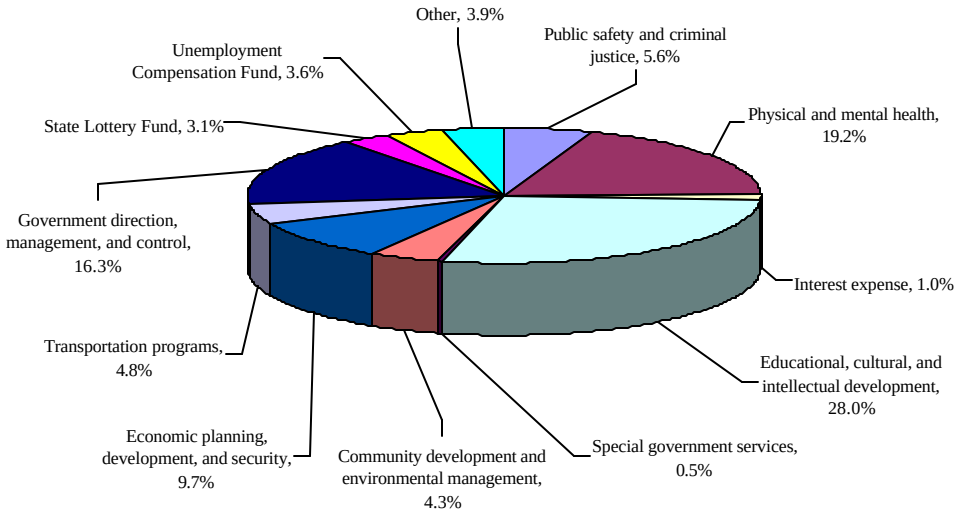
Fiscal Year 2006 expenditures totaled $50.7 billion, an increase of $2.3 billion from the prior fiscal year. The largest increase in expenditures occurred in the area of economic planning, development, and security. This increase of $791.2 million represented a 19.2 percent increase over the prior fiscal year. Overall, 47.2 percent of all State expenditures occurred in the areas of education, higher education and physical and mental health.

The following pie charts depict primary government activities for revenues and expenditures for the fiscal year ended June 30, 2006:

Revenues – Primary Government
Fiscal Year Ended June 30, 2006



Expenditures – Primary Government
Fiscal Year Ended June 30, 2006


Other, 3.9%
Public safety and criminal justice, 5.6%
Unemployment Compensation Fund, 3.6%
State Lottery Fund, 3.1%
Physical and mental health, 19.2%
Government direction, management, and control, 16.3%
Interest expense, 1.0%
Transportation programs, 4.8%
Educational, cultural, and intellectual development, 28.0%
Economic planning, development, and security, 9.7%
Community development and environmental management, 4.3%
Special government services, 0.5%

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

The focus of the State's major governmental funds reported in the fund financial statements is on near term inflows, outflows, and balance of expendable resources, which are essential elements in assessing the State's financing needs and serve as useful measures of the government's net resources available for future spending. The State's governmental funds reported June 30, 2006 fund balances of $11.5 billion.

The following table presents a fund balance comparison of the components of the State's budgeted ending undesignated fund balance for Fiscal Year 2006 and Fiscal Year 2005:

Fund Balance Comparison
(Expressed In Millions)

Fund	Fiscal Year 2006	Fiscal Year 2005	Change
General Fund	$ 1,216.7	$ 461.7	$ 755.0
Surplus Revenue Fund	559.8	288.6	271.2
Property Tax Relief Fund	2.6	27.9	(25.3)
Casino Control Fund	(1.6)	1.3	(2.9)
Casino Revenue Fund	1.0	--	1.0
Total	$ 1,778.5	$ 779.5	$ 999.0

General Fund

The General Fund is the State's chief operating fund and is the fund into which all State revenues, not otherwise restricted by statute, are deposited. The General Fund's fiscal year ending fund balance totaled $4.4 billion, of which, $2.5 billion represented unreserved fund balances. During Fiscal Year 2006, total fund balance increased by $1.2 billion.

On a budgetary basis, general revenues of $26.9 billion were $2.5 billion lower than the final budget. The negative variance was primarily the result of unearned federal and other grant revenues of $1.5 billion, services and assessments of $464.7 million, and licenses and fees of $171.6 million.

Total expenditures were $3.2 billion lower than original appropriations set forth in the annual Appropriations Act plus supplemental appropriations enacted during the fiscal year. A major cause for under spending resulted from the State's historical practice of over appropriating federal funds. This practice allows the State to receive the maximum federal dollars that become available. During Fiscal Year 2006, the State's appropriation of federal funds and other grants exceeded expenditures by $1.5 billion. These excess appropriations are available for use in future years. From a program perspective, under spending in Fiscal Year 2006 includes $615.3 million from economic planning, development and security, $574.1 million from physical and mental health, $547.0 million from community development and environmental management, $460.0 million from government direction, management, and control, and $426.5 million from educational, cultural, and intellectual development. Other variances include $386.2 million from public safety and criminal justice, $122.8 million from special government services, and $69.2 million from transportation programs.

The Surplus Revenue Fund is an account within the State's General Fund that is used as a "Rainy Day Fund." Surplus revenue is defined as an amount equivalent to 50.0 percent of the excess between the amount certified by the Governor at the time of the approval of the annual Appropriations Act and the amount of General Fund revenue reported from the annual financial report of the General Fund for that fiscal year. During Fiscal Year 2006, the State deposited $271.2 million into the Surplus Revenue Fund. This amount includes interest earnings that accrued on its fund balance during the fiscal year.

Property Tax Relief Fund

The Property Tax Relief Fund accounts for revenues from the Gross Income Tax. Appropriations from this fund must be used exclusively for the constitutional purpose of reducing or offsetting property taxes. During Fiscal Year 2006, $10.9 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2006 ending unreserved - undesignated fund balance is $2.6 million.

State Lottery Fund

Monies derived from the sale of State lottery tickets are deposited into this fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. Available fund balances are transferred to the State's General Fund in support of the amounts annually

appropriated for State institutions and for education. The present value of obligations for future installment payments of lottery prizes, which are funded by the purchase of deposit fund contracts, are accounted for in this fund.

In Fiscal Year 2006, gross revenues totaled $2.4 billion, of which $1.4 billion was returned in prizes, $844.2 million went to State education and institutions, $192.9 million was paid to sales agents and ticket vendors, and $29.4 million covered Lottery operational and promotional expenses. As of June 30, 2006, the State Lottery, since its inception, has generated over $39.4 billion in gross revenues, $20.5 billion in prizes, and contributed $15.6 billion to the State.

Unemployment Compensation Fund

The Unemployment Compensation Fund accounts for monies deposited from employers and employees contributions for unemployment compensation, amounts credited or advances made by the Federal Government, and amounts received from any other source. After consideration is given to any claim for refund of overpayment of contributions, the Division of Employment Security transfers the remainder to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund.

Component Units

Combined operating revenues and expenses for the State's component units for Fiscal Year 2006 amounted to $8.6 billion and $9.1 billion respectively. Total operations along with other financing sources and uses contributed to total combined net assets at fiscal year end of $14.2 billion. The component units received $1.5 billion in State appropriations during Fiscal Year 2006.

CAPITAL ASSET AND DEBT ADMINISTRATION

Administration of the State's capital assets falls under the purview of the Department of the Treasury. Capital assets are recorded under the State's General Fixed Asset System in the New Jersey Office of Management and Budget. The New Jersey Office of Public Finance is responsible for issuing the State's short-term and long-term obligations as well as overseeing the State's credit ratings.

The Fiscal Year 2006 capital budget included $2.6 billion of State and matching Federal funds for both the Department of Transportation and the New Jersey Transit Corporation. The State's share, funded through the New Jersey Transportation Trust Fund Authority produced $526.0 million for State highways, $145.0 million for local highways, and $534.0 million for mass transit. During Fiscal Year 2006, the New Jersey Economic Development Authority issued $1.4 billion of School Facilities Construction Bonds to help fund the New Jersey Schools Construction Corporation's program. As of June 30, 2006, a total of $5.5 billion of the $8.6 billion school facilities construction bond program has been issued. For Fiscal Year 2006, another $98.0 million of State funds were appropriated to the Garden State Preservation Trust for conservation purposes, while 4.0 percent of the Corporation Business Tax was appropriated to fund hazardous discharge cleanup, underground storage tank improvements, and surface water quality projects.

Capital Asset data is shown below. The State's investment in capital assets, net of accumulated depreciation, totaled $16.8 billion as of June 30, 2006. Depreciation charges for Fiscal Year 2006 totaled $536.8 million.

Capital Assets (Net of Depreciation)
As of June 30
(Expressed In Millions)

	Total Primary Government	
	2006	2005*
Land	$ 3,995.4	$ 3,799.9
Land Improvements	70.4	25.8
Buildings and Improvements	1,461.1	1,462.1
Equipment	134.2	74.9
Infrastructure	10,747.8	10,106.3
Sub-Total	16,408.9	15,469.0
Construction-In-Progress	412.8	384.9
Total	$ 16,821.7	$ 15,853.9

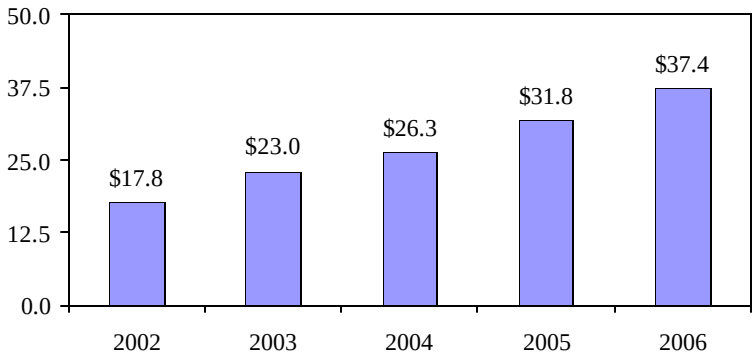
* Fiscal Year 2005 has been restated.

More detailed information about the State's capital assets is presented in the Notes to the Financial Statements, Note 7 – Capital Assets.

Long-Term Obligations

As of June 30, 2006, New Jersey's outstanding long-term debt totaled $37.4 billion, a $5.6 billion increase over the prior fiscal year. In addition, the State has $11.2 billion of legislatively authorized bonding capacity that has not yet been issued. During Fiscal Year 2006, the legislatively authorized bonding capacity increased by $4.5 billion. The State's long-term debt for the past five fiscal years is shown below:

Long-Term Obligations
Fiscal Year 2002 to Fiscal Year 2006
(Expressed in Billions)



More detailed information about the State's long-term debt is presented in the Notes to the Financial Statements, Note 10 – Long-term Obligations.

Credit Ratings

Standard & Poor's Corporation, Moody's Investors Service, and Fitch Investors Service rate the State's debt. As of June 30, 2006, the State's short-term and long-term, general obligation credit ratings are as follows:

Rating Agency	Short-Term	Long-Term
Standard & Poor's Corporation	SP-1+	AA
Moody's Investors Service	MIG 1	Aa3
Fitch Investors Service	F1+	AA-

ECONOMIC CONDITION AND OUTLOOK

New Jersey's economy continues to expand at a slightly slower pace in 2006 after following 2005's steady recovery. The State added around 115,600 jobs between the bottom of the employment cycle in March 2003 and October 2006. Payroll employment increased at an average annual rate of 1.2 percent after growing at 0.5 percent last year. The level of payroll employment in October 2006 surpassed the last record level reported in December 2000 for the twenty-first month in a row.

New Jersey's employment increased by 0.6 percent in October 2006 from over a year ago adding close to 34,610 jobs and continuing the positive year over year growth trend for the thirty-third consecutive month. Employment gains were primarily spread across the service providing sectors with particularly strong growth in education and health services (13,840 jobs), and leisure and hospitality (10,540 jobs), followed by professional and business services (7,320 jobs). The total government sector added 5,770 jobs during this period.

However, the State continues to suffer from job losses in manufacturing (-11,080 jobs) and downsizing in the telecommunications industry (-1,700 jobs). Practically all of the job losses experienced in New Jersey were concentrated in these two areas. New Jersey's employment level has remained consistently above the 4.0 million mark for the last twenty-eight months.

The United States' Department of Commerce's Bureau of Economic Analysis preliminary report released on September 26, 2006 indicates that the 7.0 percent preliminary growth rate for New Jersey's personal income during the second quarter of calendar year 2006 came in above the revised growth rate of 6.3 percent for the first quarter of this year. Personal income for New Jersey is expected to grow at a steady pace through the rest of the year and through

2007. Despite current inflationary pressures due to surges in energy costs experienced earlier this year, inflation is expected to remain under control. A low interest rate environment has supported spending on housing and other consumer durables in the State. However, rising interest rates are expected to have a moderating influence on interest sensitive spending in the economy. Housing, once a robust sector, is expected to cool off in the months ahead with housing permits in 2006 to stay around 33,000 plus units, well below the estimated 38,000 plus units for 2005. Vehicle registrations for 2006 remain 1.5 percent below the last year's level. In part, the lack of large financial incentives and pent up demand are contributing to the downward trend.

Despite the near term uncertainties in the economic outlook, the State and the nation's economy are expected to continue expanding at a steady pace through the rest of 2006 and into 2007. The Federal Reserve's October 12, 2006 Beige Book on economic performance reported positively that economic activity continued to expand at a moderate pace. The latest New Jersey economic forecasts from Global Insight and Rutgers, which are based on preliminary State data through the second quarter of 2006, also project continued economic growth at a moderate pace.

New Jersey and the nation may experience further near-term slow growth and the expected pace of economic expansion may stall if consumers, investors, and businesses become more concerned about energy prices and geopolitical tensions. To a large extent, the future direction of economic expansion nationally and in New Jersey hinges on the assumptions of stable energy prices, stable geopolitical conditions, and supportive monetary and fiscal policies with no further turmoil in the financial markets and no drastic slowdown in the housing sector. However, the fundamentals of the State economic health remain stable and the long run prospects for modest economic growth of the State in 2006 and beyond are favorable.

REQUEST FOR INFORMATION

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006 is designed to provide a general overview of the State of New Jersey's finances to our citizens, taxpayers, customers, investors, and creditors and to demonstrate the State's accountability for the money it receives and the stewardship over its resources. Requests concerning any of the data presented in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006 or for additional information should be addressed to the State of New Jersey, Office of Management and Budget, P.O. Box 221, 33 West State Street, 6th Floor, Trenton, New Jersey, 08625. Historical copies of the Comprehensive Annual Financial Report, the State Budget, and the Appropriations Handbook are also available at the following website: www.state.nj.us/treasury/omb.

STATE OF NEW JERSEY
STATEMENT OF NET ASSETS
JUNE 30, 2006

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 215,765,361	$ 9,396,210	$ 225,161,571	$ 1,427,379,244
Investments	9,590,466,128	905,071,255	10,495,537,383	10,597,982,508
Receivables, net of allowances for uncollectibles				
Federal government	492,475,458	737,885,862	1,230,361,320	133,253,708
Departmental accounts	2,676,989,839	430,304,170	3,107,294,009	--
Loans	1,095,160,115	--	1,095,160,115	1,861,539,569
Mortgages	--	--	--	2,057,610,234
Other	1,056,277,580	138,030,857	1,194,308,437	726,355,108
Internal balances	67,042,185	(67,042,185)	--	--
Due from external parties	21,204,046	--	21,204,046	78,854,951
Inventories	--	--	--	114,829,810
Other	374,194,894	15,863,157	390,058,051	911,088,827
Noncurrent Assets:				
Investments	--	644,974,326	644,974,326	--
Pension assets	8,256,861	--	8,256,861	--
Capital assets, net	16,821,727,786	--	16,821,727,786	17,956,677,642
Other	196,202,209	--	196,202,209	--
Total Assets	32,615,762,462	2,814,483,652	35,430,246,114	35,865,571,601
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	2,414,698,104	449,951,608	2,864,649,712	981,619,971
Due to external parties	39,179,054	--	39,179,054	135,210,343
Interest payable	260,256,447	--	260,256,447	176,042,944
Deferred revenue	300,368,841	--	300,368,841	311,176,486
Current portion of long-term obligations	1,701,884,874	153,857,004	1,855,741,878	845,273,389
Other	300,200,378	66,919,803	367,120,181	382,765,194
Noncurrent Liabilities:				
Due in more than one year	35,743,701,089	645,972,868	36,389,673,957	18,867,762,503
Total Liabilities	40,760,288,787	1,316,701,283	42,076,990,070	21,699,850,830
NET ASSETS				
Invested in capital assets, net of related debt	5,952,695,550	--	5,952,695,550	1,742,094,386
Restricted for:				
Capital projects	--	--	--	6,304,590,144
Physical and mental health	164,935,494	--	164,935,494	--
Educational, cultural, and intellectual development	1,235,749,689	--	1,235,749,689	--
Community development and environmental management	2,620,101,707	--	2,620,101,707	--
Economic planning, development, and security	750,117,046	--	750,117,046	--
Debt service	--	--	--	776,589,699
Unclaimed property	282,504,472	--	282,504,472	--
Unemployment	--	1,073,311,493	1,073,311,493	--
Other	572,358,999	427,298,625	999,657,624	2,867,293,563
Unrestricted	(19,722,989,282)	(2,827,749)	(19,725,817,031)	2,475,152,979
Total Net Assets	$ (8,144,526,325)	$ 1,497,782,369	$ (6,646,743,956)	$ 14,165,720,771

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions - Programs				
Primary Government				
Governmental activities:				
Public safety and criminal justice	$ 2,827,860,036	$ 1,036,603,358	$ 299,017,993	$ 2,157,982
Physical and mental health	9,729,943,992	834,554,476	656,260,400	100,393
Educational, cultural, and intellectual development	14,200,457,763	115,755,749	873,226,448	--
Community development and environmental management	2,205,387,688	267,576,838	654,352,440	138,756,434
Economic planning, development and security	4,914,924,703	928,353,915	439,502,833	2,008,341
Transportation programs	2,435,140,558	19,643,991	719,078,389	22,220,740
Government direction, management, and control	8,280,622,810	1,652,305,982	6,056,771,111	--
Special government services	239,609,420	145,798,377	10,290,484	9,084,889
Interest expense	537,044,143	--	--	--
Total governmental activities	45,370,991,113	5,000,592,686	9,708,500,098	174,328,779
Business-type activities:				
Health benefits	1,958,972,978	1,971,440,239	21,155,791	--
State Lottery Fund	1,573,324,837	2,441,506,250	4,633,134	--
Unemployment Compensation Fund	1,828,478,701	1,446,955,731	77,101,122	--
Total business-type activities	5,360,776,516	5,859,902,220	102,890,047	--
Total Primary Government	$ 50,731,767,629	$ 10,860,494,906	$ 9,811,390,145	$ 174,328,779
Component Units:				
Authorities	$ 4,370,857,736	$ 2,138,708,255	$ 1,140,662,810	$ 1,469,785,344
Colleges and Universities	4,701,693,955	2,190,650,393	1,675,492,902	20,859,926
Total Component Units	$ 9,072,551,691	$ 4,329,358,648	$ 2,816,155,712	$ 1,490,645,270
General Revenues and Transfers:				
Taxes:				
Gross Income Tax				
Sales and Use Tax				
Corporate Business Tax				
Other taxes				
Investment earnings				
Payments from State				
Miscellaneous				
Transfers				
Total general revenue and transfers				
Change in Net Assets				
Net Asset July 1, 2005 (Restated)				
Net Assets June 30, 2006				

The accompanying notes are an integral part of the financial statements.

----------Net (Expense) Revenue and Changes in Net Assets----------

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (1,490,080,703)	$ --	$ (1,490,080,703)	$ --
(8,239,028,723)	--	(8,239,028,723)	--
(13,211,475,566)	--	(13,211,475,566)	--
(1,144,701,976)	--	(1,144,701,976)	--
(3,545,059,614)	--	(3,545,059,614)	--
(1,674,197,438)	--	(1,674,197,438)	--
(571,545,717)	--	(571,545,717)	--
(74,435,670)	--	(74,435,670)	--
(537,044,143)	--	(537,044,143)	--
(30,487,569,550)	--	(30,487,569,550)	--
--	33,623,052	33,623,052	--
--	872,814,547	872,814,547	--
--	(304,421,848)	(304,421,848)	--
--	602,015,751	602,015,751	--
--	602,015,751	(29,885,553,799)	--
--	--	--	378,298,673
--	--	--	(814,690,734)
--	--	--	(436,392,060)
11,070,564,988	--	11,070,564,988	--
6,846,014,816	--	6,846,014,816	--
3,188,830,476	--	3,188,830,476	--
5,608,682,659	--	5,608,682,659	--
182,961,867	--	182,961,867	--
--	--	--	1,474,605,519
1,627,322,992	--	1,627,322,992	--
1,435,842,604	(785,842,604)	650,000,000	--
29,960,220,402	(785,842,604)	29,174,377,798	1,474,605,519
(527,349,148)	(183,826,853)	(711,176,001)	1,038,213,458
(7,617,177,177)	1,681,609,222	(5,935,567,955)	13,127,507,313
$ (8,144,526,325)	$ 1,497,782,369	$ (6,646,743,956)	$ 14,165,720,771

STATE OF NEW JERSEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 59,980,456	$ --	$ 155,784,905	$ 215,765,361
Investments	3,011,040,596	--	6,579,425,532	9,590,466,128
Receivables, net of allowances for uncollectibles				
Federal government	288,015,479	--	77,963,126	365,978,605
Departmental accounts	1,714,252,387	525,737,862	436,999,590	2,676,989,839
Loans	22,287,445	--	1,072,872,670	1,095,160,115
Other	208,173,964	--	346,273,433	554,447,397
Due from other funds	1,244,575,040	206,764,192	428,950,922	1,880,290,154
Other	50,964,347	--	107,513	51,071,860
Total Assets	$ 6,599,289,714	$ 732,502,054	$ 9,098,377,691	$ 16,430,169,459
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accruals	$ 1,456,729,408	$ 37,226,532	$ 920,742,164	$ 2,414,698,104
Deferred revenue	291,037,090	--	135,814,751	426,851,841
Due to other funds	384,354,532	576,608,777	870,259,668	1,831,222,977
Other	108,935,058	104,145,032	87,120,288	300,200,378
Total Liabilities	2,241,056,088	717,980,341	2,013,936,871	4,972,973,300
Fund Balances				
Reserved for:				
Encumbrances	907,585,853	4,419,343	892,365,982	1,804,371,178
Surplus revenue	559,797,748	--	--	559,797,748
Other	368,131,004	--	1,605,267,981	1,973,398,985
Unreserved:				
General Fund	2,522,719,021	--	--	2,522,719,021
Special Revenue Funds	--	10,102,370	4,467,722,738	4,477,825,108
Capital Projects Funds	--	--	119,084,119	119,084,119
Total Fund Balances	4,358,233,626	14,521,713	7,084,440,820	11,457,196,159
Total Liabilities and Fund Balances	$ 6,599,289,714	$ 732,502,054	$ 9,098,377,691	$ 16,430,169,459

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2006

Total fund balances-governmental funds		$ 11,457,196,159
Amounts reported for governmental activities in the statement of net assets are different as a result of the following items:		
The State has receivables which are not current resources and therefore are not reported in the fund perspective.		628,327,036
In the government-wide statements deferred issuance costs are capitalized and amortized over a period of years, but are reported as expenditures in the fund perspective.		323,123,034
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund perspective. These assets consist of:		
Infrastructure assets	$ 16,082,374,089	
Buildings and improvements	2,917,233,204	
Land and land improvements	4,131,312,560	
Other capital assets	804,387,395	
Accumulated depreciation	(7,113,579,462)	16,821,727,786
Deferred tobacco settlement revenue recorded in the fund perspective is recognized as revenue and not deferred in the statement of net assets.		126,483,000
The pension and other assets are not current and therefore are not reported in the fund perspective.		204,459,070
Some liabilities are not due and payable in the current period and therefore are not reported in the fund perspective. Those liabilities consist of:		
Current Liabilities		
Accrued interest		(260,256,447)
Noncurrent Liabilities		
Bonds and notes payable	(16,108,710,001)	
Installment obligations	(16,896,001,715)	
Loans payable	(1,279,358,087)	
Capital leases	(739,343,120)	
Compensated absences	(518,560,541)	
Unamortized deferral on refunding bonds	604,569,550	
Unamortized premium	(1,500,850,138)	
Tobacco Settlement Financing Corporation, Inc. Bonds	(3,248,579,566)	
Unamortized discount on Capital Appreciation Bonds	5,673,483,979	
Other noncurrent liabilities	(3,432,236,324)	(37,445,585,963)
Net assets of governmental activities		$ (8,144,526,325)

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 13,572,024,514	$ 10,506,564,988	$ 1,830,747,565	$ 25,909,337,067
Federal and other grants	8,298,340,121	--	823,876,944	9,122,217,065
Licenses and fees	839,593,571	--	120,214,717	959,808,288
Services and assessments	1,680,919,074	--	812,673,337	2,493,592,411
Investment earnings	113,996,718	--	207,661,224	321,657,942
Contributions	1,442	--	662,572,113	662,573,555
Other	3,161,810,724	--	467,133,576	3,628,944,300
Total Revenues	27,666,686,164	10,506,564,988	4,924,879,476	43,098,130,628
EXPENDITURES				
Current:				
Public safety and criminal justice	3,040,496,708	--	115,156,638	3,155,653,346
Physical and mental health	9,116,650,051	--	615,950,014	9,732,600,065
Educational, cultural, and intellectual development	4,250,008,748	8,644,131,052	1,511,000,666	14,405,140,466
Community development and environmental management	1,137,359,170	859,504,887	449,700,472	2,446,564,529
Economic planning, development, and security	4,110,301,444	--	870,903,295	4,981,204,739
Transportation programs	432,131,126	--	2,674,021,596	3,106,152,722
Government direction, management, and control	4,078,454,746	1,317,581,411	1,738,160,961	7,134,197,118
Special government services	313,051,115	--	263,061	313,314,176
Capital Outlay	573,536,305	--	--	573,536,305
Debt Service:				
Principal	13,670,000	--	34,501,000	48,171,000
Interest	155,654,336	--	205,681,000	361,335,336
Total Expenditures	27,221,313,749	10,821,217,350	8,215,338,703	46,257,869,802
Excess (deficiency) of revenues over expenditures	445,372,415	(314,652,362)	(3,290,459,227)	(3,159,739,174)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	--	--	2,850,071,792	2,850,071,792
Transfers from other funds	1,922,828,345	--	5,970,317,348	7,893,145,693
Transfers to other funds	(3,254,974,360)	(108,926,907)	(3,093,391,810)	(6,457,293,077)
Other sources	2,510,667,407	--	2,170,332,779	4,681,000,186
Other uses	(453,074,313)	--	(2,096,843,811)	(2,549,918,124)
Total other financing sources (uses)	725,447,079	(108,926,907)	5,800,486,298	6,417,006,470
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,170,819,494	(423,579,269)	2,510,027,071	3,257,267,296
Fund balances - July 1, 2005	3,187,414,132	438,100,982	4,574,413,749	8,199,928,863
Fund balances - June 30, 2006	$ 4,358,233,626	$ 14,521,713	$ 7,084,440,820	$ 11,457,196,159

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Net change in fund balance - total governmental funds		$ 3,257,267,296
Amounts reported for governmental activities in the statement of activities are different as a result of the following items:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	$ 1,504,615,946	
Depreciation expense	(536,813,065)	
Excess of capital outlay over depreciation expense		967,802,881
Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from revenue and general obligation bonds.		(2,747,659,898)
Some capital additions were financed through capital leases, certificates of participation and installment obligations. In governmental funds these arrangements are considered a source of financing, but in the statement of net assets, these arrangements are reported as a liability.		(4,621,702,182)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year these amounts consist of:		
Bond principal retirement	244,914,679	
Capital lease payments	171,603,500	
Installment obligation retirement	236,351,211	
Certificates of participation retirement	32,856,361	
Tobacco Settement Financing Corp, Inc.	34,500,000	
Total long-term debt repayment		720,225,751
Because some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds. The Fiscal Year 2006 receivable balances increased by this amount.		78,666,498
Some revenues recorded in the Statement of Activities do not provide current financial resources and therefore are deferred in the fund perspective.		1,907,000
In the government-wide statements certain items are capitalized and amortized over a period of years, but are reported as expenditures or other financing sources and uses in the fund perspective. These activites consist of:		
Increase in unamortized premiums	(296,472,862)	
Increase in deferral on refunding issues	71,561,855	
Increase in deferred issuance costs	96,413,838	
Decrease in bond discount	(2,924,073)	
Increase in unamortized interest on Capital Appreciation Bonds	2,638,921,323	
Total capitalized and amortized items		2,507,500,081
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures or reductions of revenue in governmental funds. These activities consist of:		
Net decrease in accrued interest	(218,892,912)	
Increase in compensated absences, net pension obligation, and other	(1,206,979,586)	
Decrease in revenue refunds payable	745,000,000	
Decrease in pension assets	(15,678,492)	
Increase in other assets	5,194,415	
Total additional expenditures and revenue reductions		(691,356,575)
Change in net assets of governmental activities		$ (527,349,148)

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2006

	Health Benefits Local Government Employers Program Fund	State Lottery Fund
ASSETS		
Current Assets		
Cash and cash equivalents	$ 5,288,613	$ 3,228,502
Investments	550,590,949	299,310,454
Receivables, net of allowances for uncollectibles		
Federal government	--	--
Departmental accounts	--	--
Other	83,421,607	13,740,316
Due from other funds	55,368	--
Other	--	15,270,367
Noncurrent Assets		
Investments	--	644,974,326
Total Assets	639,356,537	976,523,965
LIABILITIES		
Current Liabilities		
Accounts payable	292,080,631	80,009,492
Due to other funds	2,972,637	83,982,330
Current portion of long-term obligations	--	153,857,004
Other	--	--
Noncurrent Liabilities		
Due in more than one year	--	645,972,868
Total Liabilities	295,053,268	963,821,694
NET ASSETS		
Restricted for:		
Unemployment compensation	--	--
Other purposes	344,303,269	12,702,271
Unrestricted	--	--
Total Net Assets	$ 344,303,269	$ 12,702,271

The accompanying notes are an integral part of the financial statements.

Unemployment Compensation Fund	Non-Major Proprietary Funds	Total Proprietary Funds
$ 626,670	$ 252,425	$ 9,396,210
35,275,102	19,894,750	905,071,255
737,885,862	--	737,885,862
430,304,170	--	430,304,170
32,691,026	8,177,908	138,030,857
51,917,629	2,603,621	54,576,618
592,790	--	15,863,157
--	--	644,974,326
1,289,293,249	30,928,704	2,936,102,455
73,214,682	4,646,803	449,951,608
34,608,468	55,368	121,618,803
--	--	153,857,004
66,919,803	--	66,919,803
--	--	645,972,868
174,742,953	4,702,171	1,438,320,086
1,073,311,493	--	1,073,311,493
41,238,803	29,054,282	427,298,625
--	(2,827,749)	(2,827,749)
$ 1,114,550,296	$ 26,226,533	$ 1,497,782,369

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Health Benefits Local Government Employers Program Fund	State Lottery Fund
OPERATING REVENUES		
Sales and charges for services	$ --	$ 2,405,916,829
Assessments	--	--
Contributions	1,833,448,116	--
From federal agencies	--	--
Other	22,459,388	35,589,421
Total Operating Revenues	1,855,907,504	2,441,506,250
OPERATING EXPENSES		
Unemployment compensation	--	--
Benefit payments	1,849,062,473	--
Lottery prize awards	--	1,380,414,193
Other	--	192,910,644
Total Operating Expenses	1,849,062,473	1,573,324,837
Operating Income (Loss)	6,845,031	868,181,413
NONOPERATING REVENUES (EXPENSES)		
Investment income	20,590,024	4,633,134
Total Nonoperating Revenues (Expenses)	20,590,024	4,633,134
Income (Loss) Before Transfers	27,435,055	872,814,547
Transfers from other funds	120,261,837	--
Transfers to other funds	--	(873,582,330)
Change in Net Assets	147,696,892	(767,783)
Total Net Assets - July 1, 2005 (Restated)	196,606,377	13,470,054
Total Net Assets - June 30, 2006	$ 344,303,269	$ 12,702,271

The accompanying notes are an integral part of the financial statements.

Unemployment Compensation Fund	Non-Major Proprietary Funds	Total Proprietary Funds
$ --	$ --	$ 2,405,916,829
1,444,384,504	--	1,444,384,504
--	115,532,735	1,948,980,851
35,987,186	--	35,987,186
2,571,227	--	60,620,036
1,482,942,917	115,532,735	5,895,889,406
1,828,478,701	--	1,828,478,701
--	109,910,505	1,958,972,978
--	--	1,380,414,193
--	--	192,910,644
1,828,478,701	109,910,505	5,360,776,516
(345,535,784)	5,622,230	535,112,890
41,113,936	565,767	66,902,861
41,113,936	565,767	66,902,861
(304,421,848)	6,187,997	602,015,751
6,938,070	--	127,199,907
(39,460,181)	--	(913,042,511)
(336,943,959)	6,187,997	(183,826,853)
1,451,494,255	20,038,536	1,681,609,222
$ 1,114,550,296	$ 26,226,533	$ 1,497,782,369

STATE OF NEW JERSEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Health Benefits Local Government Employers Program Fund	State Lottery Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts received from customers	$ 86,448,091	$ 1,257,696,195
Receipts from federal and local agencies	1,763,813,165	--
Receipts from assessments	--	--
Payments to suppliers	--	(57,424,406)
Payments to prize winners	--	(442,791,613)
Claims paid	(1,846,141,149)	--
Other receipts (payments)	(5,358,620)	142,784,284
Net cash provided (used) by operating activities	(1,238,513)	900,264,460
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Miscellaneous receipts (payments)	(216,949)	--
Transfers from other funds	120,261,837	--
Transfers to other funds	--	(881,477,624)
Net cash provided (used) by noncapital financing activities	120,044,888	(881,477,624)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	--	1,204,545,000
Interest and dividends	20,557,520	--
Purchase of investments	(134,107,786)	(1,220,625,000)
Other	32,504	--
Net cash provided (used) by investing activities	(113,517,762)	(16,080,000)
Net increase (decrease) in cash and cash equivalents	5,288,613	2,706,836
Cash and cash equivalents - July 1, 2005	--	521,666
Cash and cash equivalents - June 30, 2006	$ 5,288,613	$ 3,228,502
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 6,845,031	$ 868,181,413
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Net changes in assets and liabilities:		
Current assets	(5,646,248)	19,654,979
Noncurrent assets	--	99,022,522
Current liabilities	(2,437,296)	18,735,425
Noncurrent liabilities	--	(105,329,879)
Net cash provided (used) by operating activities	$ (1,238,513)	$ 900,264,460

The accompanying notes are an integral part of the financial statements.

Unemployment Compensation Fund	Non-Major Proprietary Funds	Total Proprietary Funds
$ --	$ 16,330,787	$ 1,360,475,073
122,533,790	96,227,138	1,982,574,093
1,497,500,194	--	1,497,500,194
--	--	(57,424,406)
--	--	(442,791,613)
(1,575,512,273)	(108,968,201)	(3,530,621,623)
--	--	137,425,664
44,521,711	3,589,724	947,137,382
--	46,803	(170,146)
--	--	120,261,837
(27,023,078)	--	(908,500,702)
(27,023,078)	46,803	(788,409,011)
22,000,000	--	1,226,545,000
--	564,844	21,122,364
(39,000,000)	(4,414,371)	(1,398,147,157)
--	923	33,427
(17,000,000)	(3,848,604)	(150,446,366)
498,633	(212,077)	8,282,005
128,037	464,502	1,114,205
$ 626,670	$ 252,425	$ 9,396,210
$ (345,535,784)	$ 5,622,230	$ 535,112,890
381,407,865	(2,974,810)	392,441,786
--	--	99,022,522
8,649,630	942,304	25,890,063
--	--	(105,329,879)
$ 44,521,711	$ 3,589,724	$ 947,137,382

STATE OF NEW JERSEY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2006

	Agency Funds	Investment Trust Fund
ASSETS		
Cash and cash equivalents	$ 7,937,084	$ --
Securities lending collateral	--	--
Investments	83,884,681	2,935,176,896
Receivables, net of allowances for uncollectibles		
Members	404,509	--
Employers	1,750,405	--
Interest and dividends	--	--
Departmental accounts	516,829	--
Other	41,822	7,389,436
Due from other funds	24,478,424	--
Other	--	--
Total Assets	119,013,754	2,942,566,332
LIABILITIES		
Accounts payable	113,684,946	--
Benefits payable	--	--
Securities lending collateral and rebates payable	--	--
Due to other funds	5,328,808	2,539,199
Total Liabilities	119,013,754	2,539,199
NET ASSETS Held in Trust for Pension Benefits and Other Purposes	$ --	$ 2,940,027,133

The accompanying notes are an integral part of the financial statements.

	Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
	$ 11,270,390	$ 2,532,198
	14,178,087,091	--
	75,363,012,524	11,314,574
	175,055,775	--
	2,208,382,773	--
	490,491,564	--
	--	19,528
	--	--
	16,488,284	23,060
	1,172,404,580	--
	93,615,192,981	13,889,360
	41,973,941	3,437,550
	123,717,791	--
	14,178,087,091	--
	10,898,875	4,247,878
	14,354,677,698	7,685,428
	$ 79,260,515,283	$ 6,203,932

STATE OF NEW JERSEY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Investment Trust Fund	Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
ADDITIONS			
Contributions:			
Members	$ --	$ 1,620,584,943	$ --
Employers	--	1,933,950,898	--
Other	12,939,526,585	9,406,638	--
Total Contributions	12,939,526,585	3,563,942,479	--
Investment Income:			
Net increase (decrease) in fair value of investments	--	4,908,730,518	--
Interest and dividends	182,866,305	2,422,911,291	460,657
Total Investment Income	182,866,305	7,331,641,809	460,657
Less investment expense	--	6,510,439	--
Net Investment Income	182,866,305	7,325,131,370	460,657
Miscellaneous	--	--	143,190
Total Additions	13,122,392,890	10,889,073,849	603,847
DEDUCTIONS			
Benefit payments	--	6,216,532,218	--
Refunds of contributions	--	110,262,702	--
Refunds and transfers to other systems	--	--	10,012
Administrative expense	2,539,199	33,800,678	--
Payments in accordance with trust agreements	--	--	360,684
Distributions to shareholders	13,579,027,213	--	--
Total Deductions	13,581,566,412	6,360,595,598	370,696
Total Changes in Net Assets Held In Trust	(459,173,522)	4,528,478,251	233,151
Net Assets - July 1, 2005	3,399,200,655	74,732,037,032	5,970,781
Net Assets - June 30, 2006	$ 2,940,027,133	$ 79,260,515,283	$ 6,203,932

The accompanying notes are an integral part of the financial statements.

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2006

	New Jersey Transit Corporation	New Jersey Turnpike Authority	Rutgers, The State University of New Jersey
ASSETS			
Current Assets			
Cash and cash equivalents	$ 171,822,583	$ 120,772,580	$ 32,133,000
Investments	2,059,257,217	1,427,112,251	992,846,000
Receivables, net of allowances for uncollectibles			
Federal government	78,619,653	--	--
Loans	--	--	6,348,000
Mortgages	--	--	--
Other	--	17,637,774	118,024,000
Due from external parties	--	10,074,683	--
Inventories	81,893,491	16,207,987	4,376,000
Other	199,947,566	310,539,988	77,996,000
Noncurrent Assets			
Fixed assets, net	7,158,703,890	3,658,457,657	1,592,726,000
Total Assets	9,750,244,400	5,560,802,920	2,824,449,000
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	317,477,747	88,475,088	72,739,000
Due to external parties	--	109,007,216	--
Interest payable	--	87,504,789	--
Deferred revenue	--	186,061	38,476,000
Current portion of long-term obligations	333,741,212	70,576,250	61,568,000
Other	35,450,309	15,055,245	2,747,000
Noncurrent Liabilities			
Due in more than one year	3,877,592,624	5,082,684,152	608,093,000
Total Liabilities	4,564,261,892	5,453,488,801	783,623,000
NET ASSETS			
Invested in capital assets, net of related debt	--	(1,127,425,863)	1,017,840,000
Restricted for:			
Capital projects	5,279,429,361	888,828,002	36,667,000
Debt service	--	46,654,170	19,159,000
Other purposes	9,100,650	976,430	576,738,000
Unrestricted	(102,547,503)	298,281,380	390,422,000
Total Net Assets	$ 5,185,982,508	$ 107,314,119	$ 2,040,826,000

The accompanying notes are an integral part of the financial statements.

University of Medicine and Dentistry of New Jersey (Unaudited)	Non-Major Component Units	Total Component Units
$ 38,626,000	$ 1,064,025,081	$ 1,427,379,244
549,127,000	5,569,640,040	10,597,982,508
25,554,000	29,080,055	133,253,708
29,652,000	1,825,539,569	1,861,539,569
--	2,057,610,234	2,057,610,234
250,345,000	340,348,334	726,355,108
--	68,780,268	78,854,951
10,053,000	2,299,332	114,829,810
48,336,000	274,269,273	911,088,827
1,092,789,000	4,454,001,095	17,956,677,642
2,044,482,000	15,685,593,281	35,865,571,601
275,704,000	227,224,136	981,619,971
--	26,203,127	135,210,343
3,459,000	85,079,155	176,042,944
55,259,000	217,255,425	311,176,486
61,724,000	317,663,927	845,273,389
4,803,000	324,709,640	382,765,194
721,264,000	8,578,128,727	18,867,762,503
1,122,213,000	9,776,264,137	21,699,850,830
467,861,000	1,383,819,249	1,742,094,386
29,928,000	69,737,781	6,304,590,144
41,800,000	668,976,529	776,589,699
458,776,000	1,821,702,483	2,867,293,563
(76,096,000)	1,965,093,102	2,475,152,979
$ 922,269,000	$ 5,909,329,144	$ 14,165,720,771

STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	New Jersey Transit Corporation	New Jersey Turnpike Authority	Rutgers, The State University of New Jersey
Expenses	$ 2,111,642,739	$ 1,015,900,710	$ 1,485,056,000
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	698,044,546	792,047,839	567,902,000
Operating grants and contributiions	549,749,245	49,197,571	638,398,000
Capital grants and contributions	962,022,214	--	11,752,000
Net (Expense) Revenue	98,173,266	(174,655,300)	(267,004,000)
General Revenue			
Payments from State	278,700,000	3,048,241	361,495,000
Total General Revenue	278,700,000	3,048,241	361,495,000
Change in Net Assets	376,873,266	(171,607,059)	94,491,000
Net Assets - Beginning of Year (Restated)	4,809,109,242	278,921,178	1,946,335,000
Net Assets - End of Year	$ 5,185,982,508	$ 107,314,119	$ 2,040,826,000

The accompanying notes are an integral part of the financial statements.

University of Medicine and Dentistry of New Jersey (Unaudited)	Non-Major Component Units	Total Component Units
$ 1,708,282,000	$ 2,751,670,242	$ 9,072,551,691
892,205,000	1,379,159,263	4,329,358,648
521,020,000	1,057,790,896	2,816,155,712
4,140,000	512,731,056	1,490,645,270
(290,917,000)	198,010,973	(436,392,060)
296,702,000	534,660,278	1,474,605,519
296,702,000	534,660,278	1,474,605,519
5,785,000	732,671,251	1,038,213,458
916,484,000	5,176,657,893	13,127,507,313
$ 922,269,000	$ 5,909,329,144	$ 14,165,720,771

STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
INDEX

Notes		Page
1	Summary of Significant Accounting Policies	50
2	Other Accounting Disclosures	58
3	Cash and Cash Equivalents	60
4	Investments	60
5	Securities Lending Collateral	66
6	Receivables	67
7	Capital Assets	68
8	Interfund Transactions	69
9	Short-Term Debt	71
10	Long-Term Obligations	72
11	Risk Management and Insurance Coverage	75
12	Derivatives	76
13	Other Liabilities	78
14	Fund Balances/Net Assets Restricted By Enabling Legislation	78
15	Other Financing Sources/Uses - Other	80
16	Operating Leases	80
17	Retirement Systems	81
18	Post-Retirement Medical Benefits	85
19	Component Units	86
20	Contingent Liabilities	90
21	Subsequent Events	91

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements have been prepared primarily from accounts and records maintained by the State Comptroller. The financial data for the various public benefit corporations, authorities, commissions, colleges and universities has been derived from reports prepared by those organizations based on their independent accounting systems.

B. Financial Reporting Entity

For financial reporting purposes the State of New Jersey includes all fund types, departments, and agencies of the State, as well as boards, commissions, authorities, colleges and universities, for which the State is financially accountable. The following circumstances set forth the State's financial accountability for a legally separate organization:

1. The State is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State.

2. The State may be financially accountable if an organization is fiscally dependent on the State regardless of whether the organization has (a) a separately elected governing board or (b) a jointly appointed board.

Entities for which the State is financially accountable such as boards, commissions, authorities, colleges and universities are considered component units. These component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State. Component units are either discretely presented or blended. Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government (the State). Blending requires the component unit's balances and transactions to be reported in a manner similar to the balances and transactions of the State.

The following organizations comprise the State's component units. The Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey Schools Construction Corporation, the Tobacco Settlement Financing Corporation, Inc., and the New Jersey Transportation Trust Fund Authority are blended component units since they provide services entirely, or almost entirely to the State. Additional pertinent information related to them is disclosed in the notes of the primary government. All other component units have been discretely presented. Descriptions of the discretely presented component units and addresses from which complete financial statements of the respective component units can be obtained is detailed in Note 19.

COLLEGES AND UNIVERSITIES

The College of New Jersey
Thomas Edison State College
Kean University
Montclair State University
New Jersey City University
New Jersey Institute of Technology
The William Paterson University of New Jersey
Ramapo College of New Jersey
Rowan University
Rutgers, The State University of New Jersey
The Richard Stockton College of New Jersey
University of Medicine and Dentistry of New Jersey

AUTHORITIES

Casino Reinvestment Development Authority
Garden State Preservation Trust
Higher Education Student Assistance Authority
New Jersey Building Authority
New Jersey Commerce and Economic Growth Commission
New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Environmental Infrastructure Trust
New Jersey Health Care Facilities Financing Authority
New Jersey Housing and Mortgage Finance Agency
New Jersey Meadowlands Development Commission
New Jersey Redevelopment Authority
New Jersey Schools Construction Corporation
New Jersey Sports and Exposition Authority
New Jersey Transit Corporation
New Jersey Transportation Trust Fund Authority
New Jersey Turnpike Authority
New Jersey Water Supply Authority
South Jersey Port Corporation
South Jersey Transportation Authority
Tobacco Settlement Financing Corporation, Inc.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) report information of all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these government-wide statements. Governmental activities, which normally are supported by taxes and intragovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of net assets measures not just current assets and liabilities, but also long-term assets and liabilities such as capital assets (including infrastructure assets) and general long-term debt. The difference between the State's assets and its liabilities is its net assets. Net assets are displayed in three components - invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The amount of net assets that are restricted by enabling legislation is disclosed in Note 14. When both restricted and unrestricted resources are available for use, generally it is the State's policy to use restricted resources first, then unrestricted resources as they are needed.

The statement of activities is presented in a format that reports the net (expense) revenue of the State's individual functions. The net (expense) revenue format reports the relative financial burden of each of the State's functions on its taxpayers. This format identifies the extent to which each function of the government draws from the general revenues of the State or is self-financed through licenses, fees, permits, and other revenues.

Program revenues originate from the program or from parties other than the government's taxpayers or citizens as a whole and reduce the expenses of the function to be financed by general revenues. Categories of program revenues that are separately reported in the statement are charges for services, program specific operating grants and contributions, and program specific capital grants and contributions. Charges for services are revenues from exchange or exchange-like transactions with external parties that purchase, use, or directly benefit from the program's goods, services, or privileges. These revenues include fees charged for specific services, licenses and permits, and operating special assessments, as well as payments from exchange transactions with other governments. Program specific operating and capital grants and contributions are revenues from mandatory and voluntary nonexchange transactions with external parties that are restricted for use in a particular program. All other revenues are general revenues, including all taxes, even if levied for a specific purpose. A special item is a significant transaction or other event within the control of management that is either (1) unusual in nature, or (2) infrequent in occurrence. An extraordinary item is a transaction or other event that is both (1) unusual in nature and (2) infrequent in occurrence.

In the statement of activities, all expenses are reported by function except those that are special or extraordinary items. Each function reports direct expenses – those specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Some functions, such as government direction, management and control, include expenses that are indirect expenses of other functions. The State does not allocate indirect expenses to the other functions.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds, and component units. However, the fiduciary funds are not included in the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The government-wide financial statements report all financial and capital assets (including infrastructure assets), short and long-term liabilities, revenues, expenses, gains, and losses using the economic resources measurement focus and the accrual basis of accounting. Activity and balances resulting from exchange and exchange-like transactions are recognized when the exchange takes place; those resulting from nonexchange transactions are recognized based on the provisions of GASB Statement No. 33.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

In accordance with the modified accrual basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. These revenues which are considered to be susceptible to accrual include amounts received during the twelve month period subsequent to June 30 that were earned as of June 30. Those revenues which are considered to be susceptible to accrual include sales tax, individual income taxes, corporate income taxes, and federal grants. Licenses, fees, permits and other sources are recognized when received since they normally are measurable only at that time. Revenue refunds payable are recorded as other liabilities. Unapplied overpayments of Corporation Business Tax are recorded when a final determination is made as to the ultimate disposition of the overpayments.

Expenditures are recognized when the related fund liabilities are incurred. Expenditures for compensated absences, claims, and judgments are recorded to the extent they would normally be liquidated with available financial resources. Disbursements for prepaid expenses, inventory items, and fixed assets are recorded when expenditures are incurred. Expenditures for principal and interest on general obligation long-term debt are recognized when due.

Proprietary Funds, Fiduciary Funds, and Component Units Financial Statements – The financial statements of the proprietary funds, fiduciary funds, and component units are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements previously described.

Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 unless FASB conflicts with GASB. The State has elected to not apply FASBs issued after the applicable date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The State's largest enterprise funds are the Unemployment Compensation Fund, the State Lottery Fund, and the Health Benefits Local Government Employers Program Fund.

The Unemployment Compensation Fund's principle ongoing operations consist of collecting contributions from employers and employees and the subsequent disbursement of monies to persons entitled to receive unemployment benefits. Collections and disbursements to eligible recipients are classified as operating revenues and expenses. The State Lottery Fund's principle ongoing operations, which are classified as operating revenues and expenses, consist of receipts from lottery ticket sales and subsequent disbursements of monies to lottery winners. The Health Benefits Local Government Employers Program Fund's principle ongoing

operations consist of member and employer contributions which are used to pay basic health care costs for employees of local governments.

In addition, the State records two other enterprise funds, the Dental Local Government Employers Program Fund and the Prescription Drug Local Government Employers Program Fund. For these funds, the principle ongoing operations, classified as operating revenues and expenditures, consist of member and employer contributions which are used to pay dental and prescription costs on behalf of eligible employees and their dependents.

E. Fund Accounting

The financial activities of the State are recorded in individual funds, each of which is deemed to be a separate accounting entity. The State uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which represent the fund's assets, liabilities, equity, revenues, and expenditures or expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column.

1. Major Funds

The State reports the General Fund and the Property Tax Relief Fund as major governmental funds. The State also reports the Health Benefits Local Government Employers Program Fund, the State Lottery Fund, and the Unemployment Compensation Fund as major enterprise funds. Descriptions are as follows:

a. General Fund – This fund accounts for all State revenues, not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this fund. The Appropriations Act enacted by the Legislature provides the basic framework for the operations of the General Fund.

b. Property Tax Relief Fund – This fund accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the fund, pursuant to formulas established by the Legislature, to counties, municipalities, and school districts.

c. Health Benefits Local Government Employers Program Fund – This fund accounts for employee and employer contributions received to be used to provide basic health care services for employees of local governments.

d. State Lottery Fund – This fund accounts for monies derived from the sale of lottery tickets and the subsequent payment of prizes to holders of winning lottery tickets.

e. Unemployment Compensation Fund – This fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, and amounts credited or advances made by the Federal government to be used to provide benefits to eligible unemployed workers.

2. Governmental Fund Types

a. Special Revenue Funds - Are used to account for the proceeds of specific revenue sources (other than special assessments, private-purpose trusts, or major capital projects) that are legally restricted to expenditure for specific purposes such as education, environment and health care.

b. Capital Projects Funds – Account for financial resources, usually general obligation bonds, to be used for the acquisition or construction of major capital facilities for State use such as mental health, educational and correctional facilities, and public transportation projects. Funds granted to other units of government are not classified as capital projects funds and are included as expenditures of special revenue funds.

3. Fiduciary Fund Types

a. Pension (and other employee benefit) Trust Funds – These funds report resources that are required to be held in trust for members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, and other employee benefit plans, such as the deferred compensation plan.

b. Investment Trust Fund – This fund reports an investment pool that consolidates monies from municipalities, counties, school districts, and any other public body, corporate or politic.

c. Private-purpose Trust Funds – These funds report all other trust arrangements for which principal and income benefit individuals, private organizations, or other governments.

d. Agency Funds – These funds report resources held by the State in a purely custodial capacity. These funds typically involve only the receipt, temporary investment, and remittance of the resources to external parties.

4. Proprietary Fund Types

Enterprise Funds – These funds may be used to report any activity for which a fee is charged to external users for goods and services. Activities are required to be reported as enterprise funds if laws or regulations require that the activity's costs of providing services be recovered with fees and charges, rather than with taxes on similar revenues.

F. Appropriations and Outstanding Debt

The State Constitution provides that the Legislature may not create a debt (where total outstanding debt would exceed one percent of total appropriations for the year) unless such law has been submitted to the people at a general election and approved by a majority of the legally qualified voters. After approval by the electorate, and prior to any bond sale, the Legislature may make appropriations up to the legally authorized amount of such bonds, which enables the State to enter into contracts with vendors.

G. Assets

1. Cash and Cash Equivalents

Deposits encompass the State's cash on deposit with financial institutions and several cash equivalents, including certificates of deposit. All deposits including cash equivalents that are subject to federal or state depository insurance generally are classified as deposits. Only investments with an original maturity of three months or less are considered to be cash equivalents. See Note 3 for details.

2. Investments

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in obligations of the U.S. Treasury, foreign governments, agencies, municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes and mortgages, certificates of deposit, repurchase agreements, equity and convertible equity securities, and other common types of investment securities.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government are combined into a large scale investment program. The Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund investment pool and the Common Pension Trust Fund investment pool by State funds is reflected as investments in the Balance Sheets of the respective funds. Amounts contributed to the Cash Management Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are reflected as investments in the Balance Sheet of the State of New Jersey Cash Management Fund-External Portion.

Amounts contributed to the Cash Management Fund investment pool are recorded at cost, which approximates fair value. Any differences between cost and fair value for Cash Management Fund pool investments are immaterial. Other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. See Note 4 for additional details.

3. Securities Lending Collateral

The Pension Trust Funds participate in securities lending programs with their custodian banks, whereby securities are loaned to brokers and, in return, the Pension Trust Funds have rights to the collateral received. All of the securities held in the Common Pension Trust Fund investment pool are eligible for the securities lending program. Collateral received may consist of cash, letters of credit, or government securities having a market value equal to or exceeding 102 percent (U.S. dollar denominated) or 105 percent (non-U.S. dollar denominated) of the value of the loaned securities at the time the loan is made. The contracts with the Common Pension Trust Fund investment pool custodian banks require them to indemnify the investment pool if the brokers fail to return the securities or fail to pay the investment pool for income distributions by the securities' issuers while the securities are on loan. The securities loans can be terminated by notification by either the broker or the investment pool. The term to maturity of the securities loans is generally matched with the term to maturity of the investment of cash collateral. As of June 30, 2006, the Pension Trust Funds have no aggregate credit risk exposure to brokers because the collateral amount held by the Pension Trust Funds exceeded the market value of the securities on loan. See Note 5 for additional details.

4. Receivables

Receivables in the State's governmental, fiduciary, and proprietary funds, Component Units - Authorities, and Component Units - College and University Funds are stated net of allowances for uncollectable amounts and primarily consist of federal revenues, taxes, loans, interest, contributions due from employers and members to the respective pension funds, mortgages, and other receivables. See Note 6 for details.

5. Capital Assets

Capital assets are tangible and intangible assets that are used in operations and that have initial useful lives that extend beyond a single reporting period. Capital assets are reported in the statement of net assets at cost or historical cost based on appraisals or other acceptable methods when historical cost information is not available. Donated fixed assets are recorded at estimated fair value at the time of donation. The State's capital assets consist of:

a. All land, including parks, forests, easements, and development rights.

b. Infrastructure assets such as roads, bridges, dams, highway lands, and rights-of-way.

c. All general government buildings, including hospitals, care, and correctional facilities.

d. Land improvements, machinery and equipment, and motor vehicles used in general operations, with unit costs above $25,000, $20,000, and $30,000 respectively.

e. Capital projects in the process of construction.

To measure depreciation expense, the State used the straight-line method, whereby the historical cost (or other capitalized amount) of depreciable assets, less their estimated salvage values, is allocated in equal annual amounts over the estimated useful lives of the assets. To estimate the useful lives of its capital assets, the State uses guidelines from industry organizations. There is no depreciation recorded for land, construction in progress, and rights-of-way.

Capital leases which are classified as capital assets are recorded in amounts equal to the lesser of the fair value of the asset or the present value of the future net minimum lease payments at the inception of the lease.

The State does not capitalize and depreciate works of art, historical treasures, and similar assets because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Capital assets utilized in the government funds are recorded as expenditures in the governmental fund financial statements.

6. Interfund/Intrafund Transactions

Interfund Transactions - During the course of normal operations, the State has numerous routine transactions between funds, including expenditures, and transfers of resources to provide administrative services, program services, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers to/transfers from other funds and due to/due from other funds. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursement of expenses.

Intrafund Transactions - Intrafund transactions, as a result of contracts among departments within the same fund, are considered expenditures by the contractor and revenues by the contractee in the fund financial statements.

As a general rule, intrafund revenues and expenditures, interfund transfers, and interfund receivables and payables have been eliminated in the government-wide financial statements. An exception is the net residual amounts due between governmental and business-type activities, which is recorded as internal balances. Receivables from and payables to fiduciary funds are recorded in the statement of net assets as receivable from and payable to external parties.

H. Liabilities

1. Deferred Revenue

Deferred revenues at the fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Deferred revenues also arise when resources are received by the State before it has a legal claim. In subsequent periods, when the revenue recognition criterion is met, or when the State has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Deferred revenues at the government-wide level arise only when the State receives resources before it has a legal claim to these resources.

Deferred revenue in the General Fund, at both levels, consists principally of amounts due from the Port Authority of New York and New Jersey.

2. Deferred Compensation

The State offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, which is administered by the Department of the Treasury, Division of Pensions and Benefits, permits participants to defer a portion of their salary until future years. Amounts deferred under the Plan are not available to employees until termination, retirement, death, or an unforeseeable emergency.

Under current Internal Revenue Service regulations, all monies that are deferred and any other assets or income of the Plan shall be held in trust for the exclusive benefit of the participating employees and their beneficiaries. The State has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor.

The State's Employees' Deferred Compensation Plan is reported as a pension (and other employee benefits) trust fund in the fund financial statements. The Plan is fiduciary in nature, and thus is not reported in the government-wide financial statements.

3. Accumulated Unpaid Sick and Vacation Benefits

Cash payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on fifty percent of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of $15,000. Employees separating from State service prior to retirement are not entitled to payments for accumulated sick leave balances. Cash payments for sick leave at retirement are made from annual legislative appropriations on a "pay-as-you-go" basis. Sick leave accumulations may also be used by an employee for a personal illness or injury as a means of continuing regular pay.

Employees annually earn 12 to 25 vacation days based on years of service and are permitted to carry over those days earned within a one-year period. The liability for accumulated employee sick leave and for accumulated vacation pay is reflected in the government-wide financial statements and the proprietary fund financial statements as noncurrent liabilities.

4. Other Long-term Obligations

In addition to accumulated unpaid sick and vacation benefits, other long-term obligations include general obligation bonds, revenue bonds, capital leases, installment obligations, certificates of participation, loans payable, and other liabilities of a long-term nature. The liability for long-term items described above is reflected in the government-wide financial statements and the proprietary fund financial statements as noncurrent liabilities, due in more than one year.

Bond and note premiums and discounts are amortized to interest expense based on the straight-line method. Capital appreciation bonds are reported at its net or accreted value rather than at face value. Bonds and notes payable are reported

net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges in other assets and are amortized over the term of the related debt.

In the governmental fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

I. Net Assets

1. Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. Restricted - Net assets are reported as restricted when constraints placed on net asset use are either: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of the other governments, or (2) imposed by law through constitutional provisions or enabling legislation.

3. Unrestricted - Unrestricted net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

4. Held in Trust for Pension Benefits and Other Purposes – This is used to accumulate all active member, State, and other employer contributions and investment income from which all benefit payments are made; also used to accumulate resources received as a result of trust arrangements or to accumulate resources held for investment.

J. Fund Balances

1. Reserved for Encumbrances - Used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.

2. Reserved for Surplus Revenue – Used to identify that portion of fund balance commonly called the "Rainy Day Fund" which represents excess revenues that have been set aside per P.L. 1990, c.44.

3. Reserved for Other - Used to earmark a portion of the fund balance to indicate it is either a resource currently unavailable for appropriation or expenditure, or a statutory restriction on current fund balance.

4. Unreserved - General Fund, Special Revenue Funds, and Capital Projects Funds - Represents the following:

   a. Unreserved Designated - Continuing Appropriations - Used to represent that portion of fund balance which has been appropriated by the Legislature, as well as those portions of fund balance of non-budgeted governmental funds so designated by management.

   b. Unreserved Designated - Unrealized Gains - Used to represent the portion of fund balance that resulted from the fair value reporting of investments, i.e., the difference between investments reported at fair value and the amortized cost of those investments.

   c. Unreserved Undesignated – Used to represent that portion of fund balance resources available for appropriation.

K. Fiscal Year End Differences

The following component units have fiscal years that ended on December 31, 2005:

Component Units - Authorities

Casino Reinvestment Development Authority
New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Health Care Facilities Financing Authority
New Jersey Meadowlands Development Commission
New Jersey Redevelopment Authority
New Jersey Sports and Exposition Authority
New Jersey Turnpike Authority
South Jersey Port Corporation
South Jersey Transportation Authority

New Jersey Building Authority (blended component unit)
New Jersey Schools Construction Corporation (blended component unit)

NOTE 2 - OTHER ACCOUNTING DISCLOSURES

A. Change in Accounting Policy

The State has adopted GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, and GASB 47, *Accounting for Termination Benefits*. In addition, the State adopted GASB Technical Bulletin 2006-1, *Accounting and Financial Reporting by Employers and OPEB Plans for Payments from the Federal Government Pursuant to the Retiree Drug Subsidy Provisions of Medicare Part D*.

B. Restatement of Net Asset Balance

The net asset balance as of July 1, 2005 for the Unemployment Compensation Fund has been increased by $8.6 million due to an overstated payable in the prior year.

The July 1, 2005 net asset balance for governmental activities has been restated from ($7,845.0) million to ($7,617.2) million to reflect an increase of $227.8 million in opening land balance.

C. Deficit Fund Balances

It is anticipated that bond sales during Fiscal Year 2007 will relieve the current deficit fund balances in the Clean Waters Fund, the Cultural Centers and Historic Preservation Fund, the 2003 Dam, Lake and Stream Project Revolving Loan Fund, the 2003 Dam, Lake, Stream and Flood Control Project Fund, the 1992 Historic Preservation Fund, the 1995 Historic Preservation Fund, the State Land Acquisition and Development Fund, and the 2003 Water Resources and Wastewater Treatment Trust Fund.

D. Deficit Net Asset Balances

Calendar Year 2007 contribution rates will be increased in order to offset the deficit net asset balance of $2.8 million in the Dental Local Government Employers Program Fund.

E. Joint Ventures

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, NY 10003-1604

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose such as contracting and maintaining an interstate bridge. Pursuant to current financial reporting standards, the State does not record its equity in joint ventures. The only significant joint venture in which the State of New Jersey participates is the Port Authority of New York and New Jersey. Individually published financial statements may be obtained by writing the Port Authority of New York and New Jersey at the above mentioned address. Other joint ventures are immaterial.

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey created by compact between the two states in 1921 with the consent of the Congress of the United States. It is authorized and directed to plan, develop, and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the Port District, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering about New York Harbor. The Governor of each State appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective State Senate. Each Governor has from time to time exercised the statutory power to veto the actions of the commissioners from their state.

The commissioners serve six-year overlapping terms as public officials without compensation. They establish Authority policy, appoint an Executive Director to implement it, and also appoint a General Counsel to act as legal advisor to the Board and to the Executive Director. The Authority undertakes only those projects authorized by the two states.

The compact envisions the Port Authority as being financially self-sustaining and, as such, it must obtain the funds necessary for the construction or acquisition of facilities upon the basis of its own credit, its reserve funds, and its future revenues. The agency has neither the power to pledge the credit of either state or any municipality nor to levy taxes or assessments.

Consolidated financial statements for the Port Authority including the Passenger Facility Charges Program for the fiscal year ended December 31, 2005 disclosed the following (expressed in millions):

Financial Position

	Combined Total
Total Assets	$ 19,786.4
Total Liabilities	12,670.6
Net Assets	$ 7,115.8

Operating Results

Operating Revenues	$ 3,135.2
Operating Expenses	(2,087.9)
Depreciation and Amortization	(686.7)
Net Recoverables (Expenses) Related to the Events of September 11, 2001	(3.4)
Income from Operations	357.2
Non-operating Revenues (Expense), Net	(195.2)
Net Income	$ 162.0

Changes in Net Assets

Balance January 1, 2005	$ 6,953.8
Net Income	162.0
Balance December 31, 2005	$ 7,115.8

Except for Special Project Bonds, the Authority's debt is secured by its full faith and credit, its reserve funds, or a pledge of future revenues. Special Project Bonds are secured by a mortgage on the financed properties. At December 31, 2005, Port Authority debt consisted of the following (expressed in millions):

Bonds, Notes and Other Obligations

Consolidated Bonds and Notes	$ 8,328.6
Special Project Bonds	1,354.4
Operating Asset Financing	467.8
Capital Asset Financing	945.2
	11,096.0
Less: Unamortized Discount and Premium	(112.4)
Total	$ 10,983.6

F. Other

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, the debt and assets of the New Jersey Building Authority have been reduced for presentation herein in the amount of $686.1 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 2005.

In accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, an additional $461.7 million in federal grant revenues and economic planning, development, and security expenditures has been recorded.

NOTE 3 - CASH AND CASH EQUIVALENTS

All funds maintain their own individual bank account(s) except for the Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation, and Property Tax Relief Funds which are in the General Fund bank accounts. The balances of cash for these funds held in the General Fund, after receipt and disbursement transactions, are accounted for and reflected in the respective due from or due to accounts on the balance sheet presented in the fund financial statements.

New Jersey Revised Statutes (52:18-16.1) set the policy that the State Treasurer must follow when depositing State funds and for the collateralization of such funds. The relationship between the face amount of the collateral and the amount of a deposit is not statutory but is stipulated by the State Treasurer. All bank accounts in which the State Treasurer deposits funds must be collateralized. Securities pledged as collateral must consist of obligations of, or be guaranteed by, the United States or the State of New Jersey. Securities are pledged in the State Treasurer's name and held by a custodian bank under a custodian agreement.

Collateral requirements for demand accounts and time accounts for banks having less than $15 million in State deposits per month require 100 percent coverage of the highest daily balance of the preceding month. For banks that have State deposits which total $15 million or more per month, the amount of collateral required is 120 percent of the total average daily balance on deposit in the bank during each calendar quarter of the year. The State Department of the Treasury monitors the level of collateral required to be maintained by the banks.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that the State disclose bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. As of June 30, 2006 the State's bank balances amounted to $302.7 million. Of these balances, $38.8 was exposed to custodial credit risk as uninsured and uncollateralized.

NOTE 4 – INVESTMENTS

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in domestic and international equities, obligations of the U.S. Treasury, government agencies, corporations, finance companies and banks, international government and agency obligations, Canadian obligations, New Jersey State and Municipal general obligations, public authority revenue obligations, collateralized notes and mortgages, commercial paper, certificates of deposit, repurchase agreements, bankers acceptances, guaranteed income contracts, money market funds, private equities, real estate, other real assets and absolute return strategy funds. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria as minimum capital, dividend paying history, credit history, and other evaluation factors.

The purchase, sale, receipt of income, and other transactions affecting investments are governed by custodial agreements between the investing funds through the State Treasurer and custodian banks as agents for the funds. State laws and policies set forth the requirements of such agreements and other particulars as to the size of the custodial institution, amount of the portfolio to be covered by the agreements, and other pertinent matters.

Federal securities, including those held as collateral on repurchase agreements, are maintained at Federal Reserve Banks in Philadelphia and New York through the custodian banks, in trust for the State of New Jersey. A significant portion of corporate equity and debt securities are maintained by the Depository Trust Company (DTC) through the custodian banks in trust for the State of New Jersey.

Securities not maintained by the Federal Reserve Banks or DTC are in the name of a designated nominee representing the securities of a particular State fund which establishes the State fund's unconditional right to the securities. The custodian banks, as agents for the State funds, maintain internal accounting records identifying the securities maintained by the Federal Reserve Banks and the DTC as securities owned by or pledged to the State funds.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government are combined into a large scale investment program. The Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund investment pool and the Common Pension Trust Fund investment pool by State funds is reflected as investments in the Balance Sheets of the respective funds. Amounts contributed to the Cash Management Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are primarily reflected as investments in the Statement of Fiduciary Net Assets, Investment Trust Fund.

Amounts contributed to the Cash Management Fund investment pool are recorded at cost, which approximates fair value. Any differences between cost and fair value for Cash Management Fund pool investments are immaterial. All other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund and the Common Pension Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation, and Property Tax Relief Funds do not maintain separate investment accounts. Since cash transactions are handled by and through the General Fund as described in Note 3, any available cash balances for these funds reside in the General Fund and are combined with other balances for either participation in the State of New Jersey Cash Management Fund or direct investment as part of the General Fund large scale investment program. Except for the Casino Revenue Fund and the Casino Control Fund, investment earnings for these funds accrue to the General Fund.

Approximately $798.8 million of investments represents deposit fund contracts for future installment payments of lottery prizes due beyond one year from the balance sheet date. Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Purchases of deposit fund contracts are recorded as an expenditure in the State Lottery Fund in the year of purchase. Annuity contracts are carried at their current contract values which are based upon their original purchase price adjusted for credited interest and amounts already received. The estimated fair value of annuity contracts approximates the carrying value reflected in the balance sheet. In the event of default in making future payments by the insurance company from which the contracts were purchased, the State Lottery Commission would be liable for such future payments.

Investments for all funds are as follows (expressed in millions):

	Amount Reported As Investments
Domestic equities	$ 37,527.1
Domestic fixed income securities	35,369.2
International equities	13,009.8
International fixed income securities	1,187.2
Mortgages	965.0
Annuity contracts	798.8
Absolute return strategy funds	260.7
Private equities	236.2
Real estate	81.3
Domestic floating rate securities	77.9
Miscellaneous	13.2
Net foreign exchange contracts	(15.1)
Total investments	89,511.3
Unallocated administrative expenses and transaction exchanges	22.6
Net amount recorded as investments	$ 89,533.9

As Reported on the Government-wide Statement of Net Assets and Statement of Fiduciary Net Assets:

	Current Investments	Non-Current Investments	Total
Governmental activities	$ 9,590.4	$ --	$ 9,590.4
Business-type activities	905.1	645.0	1,550.1
Fiduciary funds	78,393.4	--	78,393.4
Total	$ 88,888.9	$ 645.0	$ 89,533.9

The State's investments are subject to various risks. Among these risks are credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Each one of these risks is discussed in more detail below.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's) or Standard & Poor's Corporation (S&P). Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. There are no restrictions in the amount that can be invested in United States Treasury and government agency securities. State regulations require minimum credit ratings for certain categories of fixed income obligations and limit the amount that can be invested in any one issuer or issue as follows:

Category	Minimum Rating		Limitation of Issuers' Outstanding Debt	Limitation of Issue	Other Limitations
	Moody's	S&P			
Corporate obligations	Ba	BBB	25%	25%	-
U.S. finance company debt, bank debentures, and N.J. State and municipal debt	A	A	10%	10%	-
Canadian obligations	A	A	10%	10%	Purchase cannot exceed $10 million
International government and agency obligations	Aa	AA	2%	10%	Not more than 1% of fund assets can be invested in any one issuer
Public Authority revenue obligations	A	A	-	10%	Not more than 2% of fund assets can be invested in any one issuer
Collateralized notes and mortgages	Baa	BBB	-	33%	Not more than 2% of fund assets can be invested in any one issuer
Commercial paper	P-1	A-1	-	-	-
Certificates of deposit and bankers acceptances (rating applies to international)	Aa/P-1	-	-	-	Uncollateralized certificates of deposit and bankers acceptances cannot exceed 10% of issuers primary capital
Guaranteed income contracts	P-1	-	-	-	A+ rating from A.M. Best for insurance companies
Money market funds	-	-	-	-	Not more than 10% of fund assets can be invested; limited to 5% of shares or units outstanding

In addition, the State sets individual issuer limits for commercial paper and certificates of deposit.

For securities exposed to credit risk in the fixed income portfolio, the following table discloses aggregate fair value, by major credit quality rating category at June 30, 2006 (expressed in millions):

	Moody's Rating					
	Aaa	Aa	A	Baa	Ba	P-1
United States Treasury bills	$ 5,073.1	$ -	$ -	$ -	$ -	$ -
United States Treasury notes	4,166.2	-	-	-	-	-
United States Treasury TIPS	790.5	-	-	-	-	-
United States Treasury bonds	1,984.0	-	-	-	-	-
United States Treasury strips	37.2	-	-	-	-	-
Title XI merchant marine notes	3.6	-	-	-	-	-
Federal agricultural mortgage corporation notes	95.8	-	-	-	-	-
Federal farm credit bank bonds	51.2	-	-	-	-	-
Federal home loan bank bonds	466.3	-	-	-	-	-
Federal home loan bank discounted notes	89.9	-	-	-	-	-
Federal home loan mortgage corporation notes	1,723.6	-	-	-	-	-
Federal national mortgage association notes	1,011.0	-	-	-	-	-
Resolution funding corporation obligations	6.4	-	-	-	-	-
Floating rate notes	25.0	20.0	10.0	22.9	-	-
Corporate obligations	519.1	700.3	2,221.2	1,574.1	0.3	-
Real estate investment trust obligations	-	-	-	93.4	-	-
Finance company debt	218.0	647.8	702.0	9.1	55.6	0.2
Supranational obligations	75.5	-	-	-	-	-
International bonds and notes	208.7	99.2	19.5	-	-	-
Foreign government obligations	470.6	313.7	-	-	-	-
Remic/FHLMC	731.1	-	-	-	-	-
Remic/FNMA	67.1	-	-	-	-	-
Remic/GNMA	17.7	-	-	-	-	-
GNMA mortgage backed certificates	83.7	-	-	-	-	-
FHLM mortgage backed certificates	606.9	-	-	-	-	-
FNMA mortgage backed certificates	620.7	-	-	-	-	-
Asset backed obligations	178.1	-	-	-	-	-
Private export obligations	56.0	-	-	-	-	-
Exchange traded securities	-	-	51.7	-	-	-
Commercial paper-interest	-	-	-	-	-	1,053.1
Commercial paper-discount	-	-	-	-	-	3,433.8
Certificates of deposit	-	-	-	-	-	6,125.4
Other	34.1	0.4	0.3	0.3	-	-
	$ 19,411.1	$ 1,781.4	$ 3,004.7	$ 1,699.8	$ 55.9	$ 10,612.5

The table does not include certain corporate obligations which do not have a Moody's rating totaling $24.4 million with S&P rating of A. The Police and Firemen's Mortgages of $965.0 million, repurchase agreements of $38.5 million, corporate bonds of $3.8 million, federal national mortgage association notes of $1.5 million, and money market accounts of $12.9 million are unrated.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State regulations provide limitations in the amounts that can be invested in fixed income securities maturing more than 12 months from date of purchase for finance company debt and New Jersey state and municipal general obligations. Maturities of corporate obligations and finance company debt must be less than two years, and bank debentures must be less than 25 months. Commercial paper must mature within 270 days. Certificates of deposits and bankers acceptances are limited to a term of one year or less. The maturity of repurchase agreements shall not exceed 15 days. The investment in a guaranteed income contract is limited to a term of ten years or less.

The following table summarizes the maturities of the fixed income portfolio at June 30, 2006 (expressed in millions):

		Maturities in Years			
	Total Fair Value	Less than 1	1-5	6-10	More than 10
United States Treasury bills	$ 5,073.1	$ 5,073.1	$ -	$ -	$ -
United States Treasury notes	4,166.2	1,186.6	994.8	1,979.7	5.1
United States Treasury TIPS	790.5	-	60.5	580.3	149.7
United States Treasury bonds	1,984.0	-	-	215.3	1,768.7
United States Treasury strips	37.2	-	-	-	37.2
Title XI merchant marine notes	3.6	-	-	-	3.6
Federal agricultural mortgage corporation notes	95.8	-	95.8	-	-
Federal farm credit bank bonds	51.2	-	51.2	-	-
Federal home loan bank bonds	466.3	175.1	268.1	23.1	-
Federal home loan bank discounted notes	89.9	-	-	-	89.9
Federal home loan mortgage corporation notes	1,723.6	1,670.6	23.6	21.4	8.0
Federal national mortgage association notes	1,012.5	827.4	183.3	0.3	1.5
Resolution funding corporation obligations	6.4	-	-	-	6.4
Floating rate notes	77.9	35.0	32.9	10.0	-
Corporate obligations	5,043.2	730.3	1,328.7	1,152.9	1,831.3
Real estate investment trust obligations	93.4	-	42.9	50.5	-
Finance company debt	1,632.7	480.6	741.4	273.5	137.2
Supranational obligations	75.5	-	-	-	75.5
International bonds and notes	327.4	124.5	145.3	18.1	39.5
Foreign government obligations	784.3	22.4	459.2	194.0	108.7
Remic/FHLMC	731.1	3.4	-	39.3	688.4
Remic/FNMA	67.1	1.3	-	17.8	48.0
Remic/GNMA	17.7	-	-	-	17.7
Police and firemen's mortgages	965.0	-	-	-	965.0
GNMA mortgage backed certificates	83.7	-	6.3	-	77.4
FHLM mortgage backed certificates	606.9	-	0.1	3.7	603.1
FNMA mortgage backed	620.7	0.1	9.3	21.2	590.1
Asset backed obligations	178.1	-	118.9	59.2	-
Private export obligations	56.0	-	11.9	44.1	-
Commercial paper-interest	1,053.1	1,053.1	-	-	-
Commercial paper-discount	3,433.8	3,433.8	-	-	-
Certificates of deposit	6,125.4	6,125.4	-	-	-
Other	35.1	0.7	26.6	5.5	2.3
	$ 37,508.4	$ 20,943.4	$ 4,600.8	$ 4,709.9	$ 7,254.3

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As mentioned previously, the State's Pension Trust Funds participate in the Common Pension Trust Fund pool. The Common Pension Fund D account within this investment pool reflects the State's investments in global markets. The State can invest in securities of companies incorporated in one of thirty countries approved by the State Investment Council. The fair value of international preferred and common stocks and issues convertible into common stocks, when combined with the fair value of international government and agency obligations, cannot exceed 22 percent of the fair value of the Common Pension Fund D account. Not more than 5 percent of the value of the assets held by Common Pension Fund D account can be invested in companies incorporated in emerging market countries, and not more than 5 percent of the fair value of the emerging market securities can be invested in any one corporation. State regulations permit entering into foreign exchange contracts for the purpose of hedging the international portfolio. The State held forward contracts totaling approximately $1.9 billion (with a $14 million net exposure) at June 30, 2006. At June 30, 2006, the State had the following foreign currency exposure (expressed in millions of U.S. dollars):

Currency	Equities	Foreign Government Obligations	Total Fair Value
Australian dollar	$ 387.3	$ -	$ 387.3
Canadian dollar	635.6	-	635.6
Danish krone	198.4	-	198.4
Euro dollar	4,286.7	503.1	4,789.8
Hong Kong dollar	130.1	-	130.1
Japanese yen	3,039.7	-	3,039.7
Mexican peso	46.3	-	46.3
New Zealand dollar	18.4	-	18.4
Norwegian krone	269.7	-	269.7
Pound sterling	1,637.3	75.5	1,712.8
Singapore dollar	98.3	-	98.3
South Korean won	121.3	-	121.3
Swedish krona	682.1	78.5	760.6
Swiss franc	1,263.2	-	1,263.2
	$ 12,814.4	$ 657.1	$ 13,471.5

The State's interests in alternative investments may contain elements of credit, currency, and market risk. Such risks include, but are not limited to, limited liquidity, absence of regulatory oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and non-marketable investments), and nondisclosure of portfolio composition. State Investment Council regulations require that not more than 13 percent of the market value of the Pension Fund can be invested in alternative investments, with the individual categories of real assets, private equities, and absolute return strategy investments limited to 5 percent, 7 percent, and 5 percent, respectively. The Common Pension Fund E account within the Common Pension Trust Fund pool reflects the State's alternative investments. Not more that 5 percent of the market value of Common Pension Fund E may be committed to any one partnership of investment, without the prior written approval of the Council. Common Pension Fund E cannot own more than 25 percent of any individual investment. The investments in Common Pension Fund E cannot comprise more than 20 percent of any one investment manager's total assets.

NOTE 5 - SECURITIES LENDING COLLATERAL

The securities lending collateral is subject to various risks. Among these risks are credit risk, concentration of credit risk, and interest rate risk. Agreements with the lending agents require minimum credit ratings for certain categories of fixed income obligations and limit the amount that can be invested in any one issuer or issue as follows:

Category	Minimum Rating		Limitation of Issuers Outstanding Debt	Limitation of Issue	Other Limitations
	Moody's	S&P			
Corporate obligations	A3	A-	25%	25%	-
U.S. finance company debt and bank debentures	A2	A	10%	10%	-
Collateralized notes and mortgages	Aaa	AAA	-	33%	Limited to not more than 10% of the assets of the collateral portfolio
Commercial paper	P-1	A-1	-	-	-
Certificates of deposit and bankers acceptances	Aa3/P-1	-	-	-	Uncollateralized certificates of deposit and bankers acceptances cannot exceed 10% of issuers primary capital
Guaranteed income contracts	P-1	-	-	-	Limited to 5% of the assets of the collateral portfolio
Money market funds	-	-	-	-	Limited to 10% of the assets of the collateral portfolio

Maturities of corporate obligations, U.S. finance company debt, bank debentures, collateralized notes and mortgages, and guaranteed income contracts must be less than 25 months. Commercial paper maturities cannot exceed 270 days. Repurchase agreement maturities cannot exceed 15 days. Certificates of deposit and bankers acceptances must mature in one year or less.

The collateral for repurchase agreements is limited to obligations of the U.S. Government or certain U.S. Government agencies.

Total exposure to any individual issuer is limited, except for U.S. Treasury and Government Agency Obligations. For money market funds, the total amount of shares or units purchased or acquired of any money market fund shall not exceed five percent of the shares or units outstanding of said money market fund. For Collateralized Notes and Mortgages, not more than two percent of the assets of the collateral portfolio shall be invested in the obligations of any one issuer. For Guaranteed Income Contracts, the total investment in any one issuer shall be limited to 2.5 percent of the collateral portfolio. The State sets individual issuer limits for Commercial Paper and Certificates of Deposit. For Corporate Obligations, U.S. Finance Company Debt, Bank Debentures and Bankers Acceptances, exposure to any one issuer shall be limited to the following percentages of the collateral portfolio in accordance with the issuer's rating from Moody's: Aaa (4%), Aa (3%), and A (2%).

For securities exposed to credit risk in the collateral portfolio, the following table disclosures aggregate market value, by major credit quality rating category at June 30, 2006 (expressed in millions):

	Moody's Rating				
	Aaa	Aa	A	P-1	Not rated
Corporate obligations	$ 699.4	$ 3,646.5	$ 1,621.6	$ -	$ -
Commercial paper	15.0	-	-	3,683.5	-
Certificates of deposit	1,957.7	-	-	-	-
Repurchase Agreements	-	-	-	-	1,609.4
Guaranteed investment contracts	-	450.0	-	-	-
Money market funds	254.4	-	-	-	101.5
Collateralized notes	-	138.9	-	-	-
Cash	-	-	-	-	0.2
	$ 2,926.5	$ 4,235.4	$ 1,621.6	$ 3,683.5	$ 1,711.1

The following table summarizes the maturities of the collateral portfolio at June 30, 2006 (expressed in millions):

		Maturities	
	Total Market Value	Less than One Year	One year to 25 Months
Corporate obligations	$ 5,967.6	$ 2,345.5	$ 3,622.1
Commercial paper	3,698.5	3,698.5	-
Certificates of deposit	1,957.8	1,957.8	-
Repurchase agreements	1,609.4	1,609.4	-
Guaranteed investment contracts	450.0	350.0	100.0
Money market funds	355.9	355.9	-
Collateralized notes	138.9	-	138.9
	$ 14,178.1	$ 10,317.1	$ 3,861.0

As of June 30, 2006, the Pension Funds had received cash collateral of $14.2 billion for outstanding loaned investment securities having market values of $13.8 billion. In addition, as of June 30, 2006, the Pension Funds loaned investment securities having market values of $1.5 million, against which it had received non-cash collateral with a current value of $1.5 million, which is not reflected in the accompanying financial statements.

NOTE 6 - RECEIVABLES

Fiduciary funds' receivables are not disclosed in the statement of net assets. However, these receivables are disclosed in the fund financial statements and consist primarily of amounts due from employers and employees and accrued earnings on investments. Receivables presented in the statement of net assets are described below

A. Federal

Federal government grant awards are established against State appropriations. Most Federal government receivables are comprised of amounts expended against grant awards, the expenditure of which is the basis of reimbursement. Since all amounts due from the Federal government are considered to be collectible, no allowance has been established for doubtful collections. Also see Note 20 - Contingent Liabilities.

These Federal receivables are reported in conformance with generally accepted accounting principles as defined in Statement No. 2 - *Grant, Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments* published by the National Council on Governmental Accounting. Inasmuch as encumbrances do not constitute expenditures, and since recognition of grants and entitlements as revenue is primarily based on expenditures, there is an additional $2.9 billion of Federal government awards consisting of encumbrances and appropriation balances which are considered unearned and unrecorded as of June 30, 2006.

Federal receivable balances in the Unemployment Compensation Fund ($737.9 million) represent unemployment contributions transferred to the Federal Reserve Bank for deposit in the Federal Unemployment Trust Fund. All monies are invested by the Federal Government and interest earnings are credited to the Unemployment Compensation Fund.

B. Departmental

Departmental accounts receivable of $3.1 billion include amounts which were substantially collected within the one month period subsequent to June 30 and include most major tax revenues. Amounts included in these receivables but not collected within the one month period subsequent to June 30 are deemed to be collectible, and are reflected net of allowances ($320.0 million).

C. Loans

Loans receivable of $1.1 billion are reduced by allowances of $16.0 million and include $1.0 billion due from local units of government and other recipients for environmental projects, $44.6 million loaned for economic development within local units of government, and $13.3 million loaned for housing and mortgage assistance.

D. Other

Other receivables totaling $1.9 billion are reduced by allowances of $669.3 million and include tax receivables due of $501.8 million, $208.1 million due from the Port Authority of New York and New Jersey, $115.4 million due from proceeds of Motor Vehicle Commission bonds which are held by the trustee, $126.8 million due from tobacco companies, and contributions due from employers and members to the Health Benefits Local Government Employers Program Fund of $83.4 million.

NOTE 7 - CAPITAL ASSETS

A summary of capital assets and related accumulated depreciation by category as of June 30, 2006 is as follows (expressed in millions):

	Balance July 1, 2005*	Additions	Retirements	Balance June 30, 2006
Capital assets, not being depreciated:				
Land	$ 3,799.9	$ 196.1	$ 0.6	$ 3,995.4
Construction in progress	384.9	27.9	--	412.8
Capital assets, being depreciated:				
Land improvements	87.8	48.1	--	135.9
Buildings and improvements	2,770.3	147.0	--	2,917.3
Machinery and equipment	310.6	170.1	89.2	391.5
Infrastructure	15,087.7	994.7	--	16,082.4
Total at historical cost	22,441.2	1,583.9	89.8	23,935.3
Less accumulated depreciation:				
Land improvements	62.0	3.5	--	65.5
Buildings and improvements	1,308.2	148.0	--	1,456.2
Machinery and equipment	235.7	32.1	10.5	257.3
Infrastructure	4,981.4	353.2	--	5,334.6
Total accumulated depreciation	6,587.3	536.8	10.5	7,113.6
Governmental activities capital assets, net	$ 15,853.9	$ 1,047.1	$ 79.3	$ 16,821.7

* The July 1, 2005 balance has been restated by $227.8 million to reflect revised land amounts.

A. Items Not Capitalized and Depreciated

The State possesses certain capital assets that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Examples of these assets include, but are not limited to statues, monuments, forts, lighthouses, and various capitol related furnishings. Collections, such as historical documents, artifacts, works of art, rare library books, and antique furnishings are not capitalized. These assets are exempted from capitalization as the State maintains the collections for reasons other than financial gain; the collections are protected, kept unencumbered, cared for and preserved; and the collections are subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for collections.

B. Depreciation and Useful Lives

Capital assets are depreciated using the straight line method, with one half of the year's depreciation charged in the year of acquisition and in the year of disposal. The State assigned useful lives that were most suitable for the particular assets. Estimated useful lives were assigned as follows:

Asset	Years
Land improvements	10-25
Building and improvements	12-45
Machinery and equipment	5-15
Infrastructure	4-70

Depreciation was charged to functions of the primary government as follows (expressed in millions):

	Amount
Public safety and criminal justice	$ 73.3
Physical and mental health	6.1
Educational, cultural, and intellectual development	20.4
Community development and environmental management	10.8
Economic planning, development, and security	10.9
Transportation programs	380.7
Government direction, management, and control	22.3
Special government services	12.3
	$ 536.8

NOTE 8 - INTERFUND TRANSACTIONS

During the course of normal operations, the State has numerous routine transactions between funds, including interfund loans, expenditures, and transfers of resources to provide administrative services, program services, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers in/transfers (out) and due to/due from other funds. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursement of expenses.

A. Due From/Due To Other Funds

The balances of current interfund receivables and payables at June 30, 2006 are presented below (expressed in millions):

	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	Major Proprietary Funds	Non-Major Proprietary Funds	Fiduciary Funds	Total
Due from:							
General Fund	$ --	$ 197.3	$ 145.3	$ 2.5	$ --	$ 39.2	$ 384.3
Property Tax Relief Fund	544.9	--	14.8	16.9	--	--	576.6
Non-Major Governmental Funds	587.5	1.0	249.3	32.5	--	--	870.3
Major Proprietary Funds	98.6	0.9	19.5	--	2.6	--	121.6
Fiduciary Funds	13.7	7.5	--	--	--	1.8	23.0
Total Due from	$ 1,244.7	$ 206.7	$ 428.9	$ 51.9	$ 2.6	$ 41.0	$ 1,975.8
Due to:							
General Fund	$ --	$ 544.9	$ 587.5	$ 98.6	$ --	$ 13.7	$ 1244.7
Property Tax Relief Fund	197.3	--	1.0	0.9	--	7.5	206.7
Non-Major Governmental Funds	145.3	14.8	249.3	19.5	--	--	428.9
Major Proprietary Funds	2.5	16.9	32.5	--	--	--	51.9
Non-Major Proprietary Funds	--	--	--	2.6	--	--	2.6
Fiduciary Funds	39.2	--	--	--	--	1.8	41.0
Total Due to	$ 384.3	$ 576.6	$ 870.3	$ 121.6	$ --	$ 23.0	$ 1,975.8

B. Transfer In/(Out)

Interfund transfers for the fiscal year ended June 30, 2006 are presented below (expressed in millions):

	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	Major Proprietary Funds	Total
Transfers (out) to:					
General Fund	$ --	$ --	$ (1,009.8)	$ (913.1)	$ (1,922.9)
Property Tax Relief Fund	--	--	--	--	--
Non-Major Governmental Funds *	(3,243.6)	--	(2,076.7)	--	(5,320.3)
Major Proprietary Funds	(11.3)	(108.9)	(6.9)	--	(127.1)
Total Transfers (Out)	$ (3,254.9)	$ (108.9)	$ (3,093.4)	$ (913.1)	$ (7,370.3)
Transfers in from:					
General Fund *	$ --	$ --	$ 3,893.6	$ 11.3	$ 3,904.9
Property Tax Relief Fund	--	--	--	108.9	108.9
Non-Major Governmental Funds	1,009.8	--	2,076.7	6.9	3,093.4
Major Proprietary Funds	913.1	--	--	--	913.1
Total Transfers In	$ 1,922.9	$ --	$ 5,970.3	$ 127.1	$ 8,020.3
Net Transfers	$ (1,332.0)	$ (108.9)	$ 2,876.9	$ (786.0)	$ 650.0

*The New Jersey Schools Construction Corporation (a blended component unit included in the Non-Major Governmental Funds) has a fiscal year end of December 31, 2005. Due to the State having a June 30, 2006 fiscal year end, transactions between the New Jersey Schools Construction Corporation and the General Fund have created an imbalance within the transfers.

NOTE 9 - SHORT-TERM DEBT

Tax and Revenue Anticipation Notes

The State issues short-term debt instruments in the form of tax and revenue anticipation notes in advance of income tax and corporation business tax collections, depositing the proceeds in the General Fund. These notes are used to provide effective cash management to fund the imbalances that occur between the collection of revenues and the disbursement of appropriations of the General Fund and Property Tax Relief Fund. The $2.65 billion of borrowings was repaid in full prior to the end of the fiscal year. Short term debt activity for the year ended June 30, 2006 was as follows (expressed in millions):

	Outstanding July 1, 2005	Issued	Redeemed	Outstanding June 30, 2006
Tax and Revenue Anticipation Notes	$ --	$ 2,650.0	$ (2,650.0)	$ --

NOTE 10 – LONG-TERM OBLIGATIONS

The State's long-term debt is divided into bonded and non-bonded categories. Bonded categories include General Obligation Bonds, Revenue Bonds Payable, certain Capital Leases, Installment Obligations, Certificates of Participation, Unamortized Premium, Tobacco Settlement Financing Corporation, Inc. Bonds, Unamortized Deferral on Refunding, and Unamortized Interest on Capital Appreciation Bonds. Non-bonded categories include Accumulated Sick and Vacation Payable, certain Capital Leases, Loans Payable, Net Pension Obligation, Other, and Deposit Fund Contracts.

A. Changes in Long-term Debt

The following schedule represents the changes in the State's long-term debt (expressed in millions):

	Outstanding July 1, 2005	Additions	Deductions	Outstanding June 30, 2006	Amounts Due Within One Year
Governmental Activities					
Bonded Debt					
General Obligation Bonds	$ 3,156.4	$ 203.3	$ 226.9	$ 3,132.8	$ 268.1
Revenue Bonds Payable	7,856.0	7,342.7	2,222.7	12,976.0	285.1
Capital Leases	130.3	186.6	8.3	308.6	10.7
Installment Obligations	15,373.2	1,968.9	446.1	16,896.0	366.4
Certificates of Participation	66.1	27.3	32.9	60.5	27.6
Unamortized Premium	1,204.4	386.2	89.7	1,500.9	--
Tobacco Settlement Financing Corporation	3,280.2	-	31.6	3,248.6	1.8
Unamortized Deferral on Refunding	(533.0)	(118.1)	(46.6)	(604.5)	--
Unamortized Interest on Capital Appreciation Bonds	(3,211.9)	(2,638.9)	(177.3)	(5,673.5)	--
Non-Bonded Debt					
Accumulated Sick and Vacation Payable	488.9	278.1	248.5	518.5	278.1
Capital Leases	539.0	55.0	163.3	430.7	46.4
Loans Payable	1,279.4	--	--	1,279.4	--
Net Pension Obligation	1,796.8	1,157.1	--	2,953.9	--
Other	397.5	417.7	397.5	417.7	417.7
Subtotal Governmental Activities	31,823.3	9,265.9	3,643.6	37,445.6	1,701.9
Business-type Activities					
Accumulated Sick and Vacation Payable	0.9	0.5	0.4	1.0	0.5
Deposit Fund Contracts	904.3	68.5	174.0	798.8	153.9
Subtotal Business-type Activities	905.2	69.0	174.4	799.8	154.4
Total Governmental and Business-type	$ 32,728.5	$ 9,334.9	$ 3,818.0	$ 38,245.4	$ 1,856.3

B. Debt Service Payments

The following schedule represents debt service payments for the next five fiscal years and thereafter (expressed in millions):

	Debt Service					
Fiscal Year	General Obligation Bonds	Revenue Bonds	Capital Leases	Installment Obligations	Certificates of Participation	Total
2007	$ 441.6	$ 748.2	$ 116.0	$ 963.3	$ 29.9	$ 2,299.0
2008	439.8	746.6	115.7	1,082.0	18.0	2,402.1
2009	411.0	746.8	117.3	1,079.6	11.2	2,365.9
2010	389.2	786.2	106.5	1,094.7	2.5	2,379.1
2011	373.0	805.2	95.9	1,104.1	1.2	2,379.4
2012-2016	1,448.4	3,905.9	297.6	5,437.1	3.4	11,092.4
2017-2021	663.2	3,929.7	163.9	5,805.8	--	10,562.6
2022-2026	47.6	2,787.1	120.9	5,370.5	--	8,326.1
2027-2031	--	1,735.7	55.1	3,479.9	--	5,270.7
2032-2036	--	1,441.8	6.5	434.7	--	1,883.0
2037-2041	--	288.4	1.3	--	--	289.7
Total Minimum Payments	4,213.8	17,921.6	1,196.7	25,851.7	66.2	49,250.0
Interest	(1,081.0)	(4,945.6)	(457.4)	(8,955.7)	(5.7)	(15,445.4)
Principal	3,132.8	12,976.0	739.3	16,896.0	60.5	33,804.6
Unamortized Premium	166.6	877.1	--	457.2	--	1,500.9
Unamortized Deferral on Refunding	(95.5)	(381.8)	--	(127.2)	--	(604.5)
Unamortized Interest on Capital Appreciation Bonds	(7.4)	(2,794.8)	--	(2,871.3)	--	(5,673.5)
Total	$ 3,196.5	$ 10,676.5	$ 739.3	$ 14,354.7	$ 60.5	$ 29,027.5

C. General Obligation Bonds

The State is empowered by voters to authorize, issue, and incur debt subject to certain constitutional restrictions. General obligation bond acts are both legislatively and voter-approved and are backed by the State's full faith and credit. As of June 30, 2006 the State had $3.1 billion of State general obligation bonds outstanding with another $742.4 million of bonding authorization remaining from various State general obligation bond acts. The amount provided by the State's General Fund for debt service payments for Fiscal Year 2006 was $169.3 million.

The State has refunded various outstanding general obligation bonds. Refunding bond proceeds are used to purchase and deposit United States Treasury Obligations – State and Local Government Series into a separate irrevocable trust fund held by a trustee. The investments and the fixed earnings that accrue are sufficient to fully service the defeased debt until it is called or matures. For financial reporting purposes, the refunded debt is considered defeased at the time the refunding bonds have been issued. Therefore, the refunded debt is removed as a liability from the State's long-term obligations.

During Fiscal Year 2006, the State refunded various general obligation debt by issuing $203.3 million of General Obligation Refunding Bonds. As a result, $213.0 million of refunded bonds were defeased and the liability was removed from the State's long-term obligations. This refunding was undertaken to reduce total debt service payments over the next 17 years by $12.3 million. An economic loss of $2.6 million was realized on the transaction. This refunding transaction provided a positive net present value savings of $5.1 million. As of June 30, 2006, the amount of defeased general obligation debt outstanding, but removed from the State's long-term obligations amounted to $1.1 billion.

D. Revenue Bonds Payable

This debt classification represents bond issuances whose segment of debt service is derived solely from legally restricted revenues. Revenue bonds include debt issued by the New Jersey Building Authority, the Garden State Preservation Trust, and the New Jersey Transportation Trust Fund Authority. During Fiscal Year 2006, these three Authorities issued $7.3 billion of bonds, of which, $1.9 billion were refunding bonds. As a result, $2.0 billion of bonds have been refunded and are now considered defeased. The liability has been removed from the State's long-term obligations. Total debt service payments over the next nine years were increased by $527.5 million which resulted in an economic loss of $90.6 million. These refunding transactions provided a positive net present value savings of $36.1 million. As of June 30, 2006, the State had $13.0 billion of revenue bonds outstanding. Another $7.1 billion of bonding authorization remains.

E. Capital Leases (Bonded)

Capital Leases represent long-term contractual obligations that the State has entered into for the purpose of utilizing office space for State operations and program usage. This includes the design, acquisition, and construction or renovation of facilities such as the Trenton Office Complex and Greystone Psychiatric Hospital.

F. Installment Obligations

Installment obligations represent agreements between the State and several authorities which have issued bonds for the purpose of purchasing or constructing facilities to be rented by the State or to provide financing for other State projects. The State agrees to make payments equal to the corresponding authority's debt service, subject to and dependent upon appropriations being made from time to time by the State Legislature. At the conclusion of the term of the installment obligation agreement, title to the various facilities is transferred to the State. During Fiscal Year 2006, these authorities issued $2.0 billion of bonds, of which, $209.2 million were refunding bonds. As a result, $209.7 million of bonds have been refunded and are now considered to be defeased. The liability has been removed from the State's long-term obligations. Total debt service payments over the next five years were reduced by $7.7 million which resulted in an economic loss of $7.5 million. Fiscal Year 2006 refunding transactions provided a positive net present value savings of $7.6 million. The State's installment obligations outstanding as of June 30, 2006 total $16.9 billion. Total authorized but unissued installment obligations equal $3.3 billion as of June 30, 2006.

G. Certificates of Participation

These obligations represent several Lines of Credit that were drawn on to finance State equipment needs through the State's Master Lease Program.

H. Unamortized Premium

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, requires bond premiums to be deferred and amortized over the life of the refunding bonds.

I. Tobacco Settlement Financing Corporation, Inc. (TSFC)

In November, 1998 the State entered into a Master Settlement Agreement with participating cigarette manufacturers, 46 states, and six other United States jurisdictions in the settlement of certain smoking-related litigation. During Fiscal Year 2003, the State sold to the newly established TSFC, the State's right, title, and beneficial ownership interest in the State's right to receive tobacco settlement rights under the Master Settlement Agreement and decree of Final Judgment. In return, the TSFC issued $3.46 billion of bonds to pay for the tobacco settlement rights. Proceeds of the two bond issuances were used to fund General Fund expenditures during Fiscal Year 2003 and Fiscal Year 2004.

During Fiscal Year 2003, the TSFC was presented as a discreet component unit of the State. Since then, the State adopted GASB Technical Bulletin No. 2004-1, *Tobacco Settlement Recognition and Financial Reporting Issues*. As a result, the TSFC is required to be shown as a blended component unit of the State. Bonds issued by the TSFC are the sole obligation of the TSFC. The State is not liable for any debt issued by the TSFC nor is the debt dependent on any dedicated stream of revenue generated by the State.

J. Unamortized Deferral on Refunding

Under GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, unamortized deferral on refunding shows the actual gain or loss on refunding transactions. Gains are shown as an asset and amortized over the shorter of the life of the refunding bonds or the bonds that were refunded. As of June 30, 2006 the State has issued $2.3 billion of refunding bonds that are to be amortized over a time period of three years to 23.1 years. GASB Statement No. 23 defines a gain/loss as the total outstanding amount of the old bonds minus the new refunding bonds issued minus the cost of issuance on the new refunding bonds. The refunding bonds have a total loss of $604.5 million.

K. Unamortized Interest on Capital Appreciation Bonds

Unamortized Interest on Capital Appreciation Bonds represents the unaccreted interest value on zero coupon bonds that have been issued.

L. Accumulated Sick and Vacation

Pursuant to GASB Statement No. 16, Accounting *for Compensated Balances*, Accumulated Sick and Vacation payable represents the liability due to employees for unused sick and vacation time.

M. Capital Leases (Non-Bonded)

Capital Leases represent long-term contractual obligations that the State has entered into for the purpose of utilizing office space for State operations and program usage. Examples of non-bonded capital leases include motor vehicle inspection stations, State government office buildings, and group homes for the developmentally disabled.

N. Loans Payable

The New Jersey Automobile Insurance Guaranty Fund has received a $1.3 billion loan from the New Jersey Property-Liability Insurance Guaranty Association. The loan was made in an effort to depopulate the New Jersey Automobile Insurance Guaranty Fund and to help satisfy its unfunded liability.

O. Net Pension Obligation

Net Pension Obligation (NPO) represents a $3.0 billion pension fund liability due to the State Police Retirement System, the Consolidated Police and Firemen's Retirement System, and the Teachers' Pension and Annuity Fund. Financial reporting requirements for net pension fund obligations fall under the purview of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers.*

P. Other

This obligation represents unamortized long-term claims which are required to be reported under NCGA Statement No. 1 as a general long-term liability of the State. This includes health ($140.6 million), dental ($8.0 million), and Medicaid benefit claims ($269.1 million of which $126.5 million is federally reimbursable) which have been incurred but not reported.

Q. Proprietary Funds/Business-type Activities

Large Lottery prizes are paid out to winners over a period of multiple years. Current Lottery proceeds are used to purchase deposit fund contracts which will provide sufficient amounts for future payment of installment prizes. Future payments of installment prizes in the present value of $798.8 million are recorded as non-current liabilities in both the fund financial statements and the government-wide statements.

R. Moral Obligation Bonds

The authorizing legislation for certain State entities provides for specific budgetary procedures with respect to certain obligations issued by these entities. Pursuant to such legislation, a designated official is required to certify any deficiency in debt service funds maintained to meet payments of principal and interest on the obligations, and a State appropriation in the amount of the deficiency is to be made. However, the State Legislature is not legally bound to make an appropriation. Bonds issued pursuant to authorizing legislation of this type are sometimes referred to as "moral obligation" bonds. There is no statutory limitation on the amount of "moral obligation" bonds which may be issued by eligible State entities. Currently, bonds issued by the South Jersey Port Corporation, the New Jersey Housing and Mortgage Finance Agency, and the Higher Education Student Assistance Authority fall under this category. Furthermore, the New Jersey Housing and Mortgage Finance Agency and the Higher Education Student Assistance Authority have not had a deficiency in their respective debt service funds which required the State to appropriate funds.

The State provides the South Jersey Port Corporation with funds to cover all debt service and property tax requirements when the Corporation's earned revenues are anticipated to be insufficient to cover these obligations. On December 1, 2005, the Corporation certified that it would be unable to provide sufficient funds from operations for debt service, and therefore, required a State appropriation for Fiscal Year 2006 in the amount of $6.5 million.

NOTE 11 - RISK MANAGEMENT AND INSURANCE COVERAGE

The State is self-insured and self-administered for tort, workers' compensation, and automobile liability claims. As of June 30, 2006 no liability for unpaid claims has been established since the amount of loss cannot be reasonably estimated, however, any unpaid claims are not expected to be material. Claims are reported as expenditures in the General Fund in the year they are paid. Amounts expended for tort, workers' compensation, and automobile liability claims for Fiscal Year 2006 and Fiscal Year 2005 are detailed below (expressed in millions):

Type of Claim	Fiscal Year 2006	Fiscal Year 2005
Tort	$ 16.4	$ 7.5
Workers' compensation	25.5	21.6
Automobile	3.5	1.8

Property exposure is handled by a commercial insurance carrier. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 2006. No settlements exceeded commercial insurance coverage during each of the past three fiscal years. The State does not participate in any risk pools.

The State has obtained a financial guaranty policy insurance commitment to cover potential permanent losses on investments by non-state participants in the State of New Jersey Cash Management Fund-External Portion (Investment Trust Fund). The State is liable for reimbursement to the issuer of the financial guaranty policy insurance commitment for any payments made. This financial guaranty policy insurance commitment expires on July 1, 2016.

NOTE 12 – DERIVATIVES

A. Interest Rate Swap Agreements

The State has obtained long-term financing in the form of voter-approved General Obligation Debt and other obligations for which voter approval is not needed and has not otherwise been sought. Non-voter approved long-term financings include debt obligations such as revenue bonds, certificates of participation, and installment obligations. The State pays debt service on these debt obligations pursuant to a State contract it enters into with the issuer, subject to annual appropriations made by the State Legislature. These debt obligations include, but are not limited to, certain bonds issued through State public authorities such as the New Jersey Building Authority, the New Jersey Economic Development Authority, the New Jersey Sports and Exposition Authority, and the New Jersey Transportation Trust Fund Authority. In connection with certain bonds issued, or anticipated, through these public authorities, the State has entered into Interest Rate Exchange Agreements (Swap Agreements). As of June 30, 2006 the State has 29 active swap agreements with 12 swap providers for a combined notional amount of $4.8 billion.

B. Interest Rate Swap Agreements – Synthetic Fixed Rate

The State acting through its public authorities entered into 20 swap agreements in connection with the issuance of $2,422.5 million in variable rate bonds. In each case, the State, acting through its public authorities, issued bonds bearing interest at a variable rate and simultaneously entered into one or more swap agreements with various swap providers. Under the terms of the swap agreements, the State will pay a fixed rate on a notional amount of bonds outstanding while the swap counterparty pays a variable rate on the same notional amount which is anticipated to, over time, match the variable interest rate on the bonds. In effect, the State has locked in its interest cost at the fixed rate on the swap agreement, at a lower interest cost than issuing fixed rate bonds. A description of each transaction follows:

Issuer/Series	Notional Amounts ($ Millions)	Effective Date	Synthetic Fixed Rate	Variable Rate Received
NJ Sports and Exposition Authority				
1992 Series C	$ 176.530	11/12/92	5.860 %	Floating rate on the bonds
2002 Series B-1, B-2	93.575	1/29/02	4.500	The lesser of the weighted average of the BMA Index or 70% of the 1-Month USD-LIBOR
NJ Transportation Trust Fund Authority				
2003 Series B-1	85.000	1/30/03	3.565	67% of the weekly USD-LIBOR
2003 Series B-2	85.000	1/30/03	3.537	67% of the weekly USD-LIBOR
2003 Series B-3	50.000	1/30/03	3.630	67% of the weekly USD-LIBOR
2003 Series B-4	62.500	1/30/03	3.675	67% of the weekly USD-LIBOR
2003 Series B-5	62.500	1/30/03	3.675	67% of the weekly USD-LIBOR
NJ Economic Development Authority				
Business Employment Incentive Program				
2004 Series B	53.435	11/1/04	4.761	100% of 1-Month USD-LIBOR + 7 Basis Points
School Facilities Construction Program				
2004 Series J (2 swap agreements)	500.000	9/1/04	4.063	75% of 1-Month USD-LIBOR
2005 Series M (2 swap agreements)	500.000	3/1/05	4.176	75% of 1-Month USD-LIBOR
2005 Series Q (2 swap agreements)	500.000	3/1/06	4.296	75% of 1-Month USD-LIBOR
NJ Building Authority				
2003 Series A (6 swap agreements)	184.900	8/20/03	3.640	62% of 1-Month USD-LIBOR + 20 Basis Points

The bonds and the related swap agreements listed above have final maturities ranging from November 1, 2014 through March 1, 2031. The total current notional amount of $2,353.4 million matches the amount of variable rate bonds that are outstanding as of June 30, 2006. Under the swap agreements, the State pays the counterparties a fixed payment at ranging from 3.537 percent to 5.860 percent and receives a variable payment as computed for each associated transaction as shown above. The swap provider calculates the variable rate, as well as the dollar amount that is owed by the swap counterparty. The remarketing agent or the auction agent, depending on the transaction, determines the variable interest rate that is applied to the bonds.

During the fiscal year ended June 30, 2006 the New Jersey Economic Development Authority terminated its $78.2 million swap agreement for its Business Employment Incentive Program that had an effective date of November 1, 2005. The New Jersey Economic Development Authority would have remitted an amount equal to the fixed rate of 5.366 percent per annum while it would

have received a variable rate equal to 100 percent of the 1-month USD-LIBOR plus seven basis points. The swap agreement was terminated upon the issuance of the Business Employment Incentive Program Bonds, 2005 Series A on October 25, 2005.

The New Jersey Sports and Exposition Authority, during the fiscal year ended June 30, 2006 defeased $10.835 million and $8.430 million of its outstanding State Contract Bonds, 2002 Series B-1 and State Contract Bonds, 2002 Series B-2, respectively, and terminated equivalent notional amounts of the related swap agreements.

C. Interest Rate Swap Agreements – Forward Strategy

The State of New Jersey has entered into nine swap agreements in association with $2.3 billion of future bond transactions involving the New Jersey Economic Development Authority's Business Employment Incentive Program and School Facilities Construction Program. The purpose of entering into the swap agreements was to take advantage of "locking in" historically low fixed interest rates for bonds that are to be issued in the future. The swap agreements have allowed the State the opportunity to limit its interest rate exposure.

The New Jersey Economic Development Authority entered into two forward interest rate swap agreements associated with $500 million in bonds anticipated to be issued under the Educational Facilities Construction and Financing Act in Fiscal Year 2006. The interest rate swap agreements were designed to commence on September 1, 2005 and to terminate on September 1, 2030. Under the agreements, the Authority would pay a fixed rate of 4.22 percent per annum to the counterparty and receive a variable rate equal to 75 percent of the one-month LIBOR. On September 15, 2005 the Authority amended these interest rate swap agreements to extend the commencement date to September 1, 2007, from September 1, 2005. This is the latest anticipated delivery date of bonds that are expected to be issued under the Educational Facilities Construction and Financing Act. As part of the amendment, the final swap amortization date has been extended to September 1, 2032 and the fixed rate of interest to be paid by the Authority has been changed to 4.40 percent.

A description of each swap agreement is as follows:

New Jersey Economic Development Authority

Issuer/Series	Notional Amounts ($ Millions)	Effective Date	Synthetic Fixed Rate	Variable Rate Received
Business Employment Incentive Program	$ 78.700	11/1/06	5.7650 %	100% of 1-Month USD-LIBOR+ 7 Basis Points
School Facilities Construction Program	250.000	9/1/06	4.4074	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	9/1/06	4.4074	75% of 1-Month USD-LIBOR
School Facilities Construction Program	500.000	3/1/07	4.3692	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	3/1/07	4.6345	67% of 1-Month USD-LIBOR+ 40 Basis Points
School Facilities Construction Program	250.000	3/1/07	4.6425	67% of 1-Month USD-LIBOR+ 40 Basis Points
School Facilities Construction Program	250.000	3/1/07	4.6430	67% of 1-Month USD-LIBOR+ 40 Basis Points
School Facilities Construction Program	250.000	9/1/07	4.3990	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	9/1/07	4.3990	75% of 1-Month USD-LIBOR

D. Interest Rate Swap Agreements - Fair Value

Between November 12, 1992 and June 30, 2006, the State, acting through its public authorities, has entered into 29 swap agreements. During this time, general interest rates have declined since the execution of the swap agreements. As a result, the net present value of the State's entire portfolio as of June 30, 2006 is a negative of $45.9 million. A breakdown of this amount is shown below:

Authority/Isssuer	Net Present Value ($ Millions)
NJ Building Authority	$ 1.076
NJ Economic Development Authority	
Business Employment Incentive Program	1.720
School Facilities Construction Program	(26.632)
NJ Sports and Exposition Authority	(36.434)
NJ Transportation Trust Fund Authority	14.341
Total	$ (45.929)

The amounts shown above are the amounts that the State would pay to swap counterparties in the event that all the State's swap agreements were terminated. The swap agreements could only be terminated for certain events of default listed in each swap agreement document, including a swap counterparty default. In the event of a swap counterparty default, it is likely that this event would be remedied through the assignment to an alternate swap counterparty.

E. Interest Rate Swap Agreements - Credit Risk

The swap agreement contracts require that each swap counterparty shall have a credit rating from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories. Ratings, which are obtained from any other nationally recognized statistical rating agencies for such swap counterparty shall also be within the three highest investment rated categories, or the payment obligations of the swap counterparty shall also be unconditionally guaranteed by an entity with such credit ratings. The swap agreements also require that should the credit rating of a swap counterparty fall below the rating required, that the obligations of such swap counterparty shall be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America, at the agreed upon collateral threshold levels pursuant to the Credit Support Agreement. The collateral threshold levels are adjusted based on counterparty ratings as set forth in the Credit Support Agreement. Even though some of the mark to market values of the swap agreements have become positive, all of the swap counterparties' ratings have remained in the two highest investment grade categories. Therefore, no collateral posting is required.

F. Interest Rate Swap Agreements - Basis Risk

The swap agreements expose the State to basis risk should the relationship between LIBOR and actual variable rate payments diverge. The effect of this difference in basis is indicated by the difference between the anticipated variable rate and the actual variable rate resulting from future market conditions.

G. Interest Rate Swap Agreements - Termination Risk

Each swap agreement contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes "additional termination events", providing that the swap agreements may be terminated if either the State's or a swap counterparty's credit quality rating falls below certain levels. The State or the swap counterparties may terminate the swap agreements if the other party fails to perform under the terms of the contract. If one or more of the swap agreements is terminated, the related variable rate bonds would no longer be hedged and the State would no longer be effectively paying a synthetic fixed rate with respect to those bonds. Also, if at the time of termination the swap agreement has a negative fair value, the State would incur a loss and would be required to settle with the swap counterparty at the swap agreement's fair value.

NOTE 13 - OTHER LIABILITIES

Other liabilities presented in the statement of net assets consist principally of revenue refunds payable to taxpayers of $258.0 million.

NOTE 14 - FUND BALANCES/NET ASSETS RESTRICTED BY ENABLING LEGISLATION

A. Reserved - Other

In the fund financial statements, reservations of fund balance classified as "reserved - other" consist principally of legally mandated escrow balances and long-term loans and receivables due from individuals, municipalities, and authorities that are considered not currently available for expenditure in subsequent accounting periods. In addition, balances have been reserved in the following funds for purposes described below.

General Fund

The $368.1 million reservation in the General Fund that is considered not currently available for appropriations consists principally of monies not available for expenditure because the asset is not an available financial resource for current appropriations ($246.8 million), a portion of bond receipts which is earmarked to pay debt service in the next fiscal year ($46.4 million), a portion of the 4 percent constitutionally dedicated Corporation Business Tax revenues reserved for environmental cleanup projects in excess of allowable expenditures ($37.8 million), potential Federal disallowance for the Department of Human Services' claims ($21.0 million), and other items ($16.1 million).

Fund for Support of Free Public Schools

New Jersey statutes provide for the establishment of a school bond reserve within this fund. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1.5 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 1 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations. Accordingly, $103.3 million has been reserved as of June 30, 2006.

New Jersey Schools Construction Corporation

In this fund, $3.7 million has been reserved for Qualified Zone Academies and prepayments.

New Jersey Transportation Trust Fund Authority

An amount of $42.5 million has been reserved for future debt service payments.

Tobacco Settlement Financing Corporation, Inc.

The $367.4 million reservation represents money reserved for future debt service payments on outstanding bonds payable.

B. Unreserved

In the fund financial statements, unreserved consists of designated for continuing appropriations, designated for unrealized gains, and undesignated.

General Fund

The $2.5 billion unreserved balance consists of $1,279.0 million designated for continuing appropriations, $27.1 million designated for unrealized gains, and $1,216.7 million undesignated.

Property Tax Relief Fund

The $10.1 million unreserved balance consists of $7.5 million designated for continuing appropriations and $2.6 million undesignated.

C. Net Assets Restricted by Enabling Legislation

As of June 30, 2006, the Statement of Net Assets reported $5.6 billion of restricted net assets. Net assets are restricted when constraints from external parties can compel the State to comply with legally enforceable enabling legislation requiring that resources be used for a specific purpose.

NOTE 15 – OTHER FINANCING SOURCES/USES-OTHER

The following items were recorded as other financing sources (uses) –other in the fund financial statements (expressed in millions):

	General Fund	Non-Major Funds
Installment obligations issued	$ 1,713.9	$ --
Refunding debt issued	412.5	1,899.5
Premium related to refunding debt issued	40.6	157.8
Capital lease acquisitions	241.7	--
Premium related to revenue bonds	--	113.1
Premium related to installment obligations	74.8	--
Certificates of participation issued	27.2	--
Payments to escrow agents on refunding bonds	(453.1)	(2,096.9)
Other Financing Sources (Uses) - Other	$ 2,057.6	$ 73.5

NOTE 16 – OPERATING LEASES

The State of New Jersey has commitments to lease certain buildings and equipment under arrangements representing operating leases. Future minimum rental commitments for noncancelable operating leases as of June 30, 2006 are as follows (expressed in millions):

Fiscal Year	Amount
2007	$ 38.2
2008	21.1
2009	16.4
2010	12.2
2011	8.5
2012-2016	20.7
2017-2021	3.0
2022	0.5
Total Future Minimum Lease Payments	$ 120.6

NOTE 17 – RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees:

Consolidated Police and Firemen's Pension Fund (CPFPF)--established in January 1952, under the provisions of N.J.S.A. 43:16 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members.

Judicial Retirement System (JRS)--established in June 1973, under the provisions of N.J.S.A. 43:6A to provide coverage to all members of the State judiciary system. Membership is mandatory for such employees with vesting after 5 years of successive service as a judge and 10 years in the aggregate of public service.

Police and Firemen's Retirement System (PFRS)--established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

Prison Officers' Pension Fund (POPF)--established in January 1941, under the provisions of N.J.S.A. 43:7 to provide coverage to various employees of the State penal institutions who were appointed prior to January 1, 1960. The fund is a closed system with no active members. New employees of the State penal institutions are enrolled in the Police and Firemen's Retirement System.

Public Employees' Retirement System (PERS)--established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

State Police Retirement System (SPRS)--established in July 1965, under the provisions of N.J.S.A. 53:5A to provide coverage to all uniformed officers and troopers of the State Police in the State. Membership is mandatory and vesting occurs after 10 years of membership.

Teachers' Pension and Annuity Fund (TPAF)--established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Central Pension Fund (CPF) which is a single-employer noncontributory defined benefit plan for special groups which are not included in other State-administered systems. There are no employees covered by CPF.

The State also administers the Pensions Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which are the CPFPF, POPF, and CPF. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase for PFRS, PERS, TPAF, SPRS, and JRS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Basis of Accounting

The financial statements of the Funds are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the Funds. Benefits or refunds are recognized when due and payable in accordance with the terms of the Funds.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D, and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Significant Legislation

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent. The law provides that local employers' PFRS normal and accrued liability contributions shall be as follows: for payments due in the State fiscal year ending June 30, 2004, 20 percent; for payments due in the State fiscal year ending June 30, 2005, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2007, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under TPAF, PERS, or PFRS, effective July 12, 2002.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on percentages ranging from 3.00 percent to 8.50 percent of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT, CPF, and PAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the JRS, PFRS, PERS, SPRS, and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2006 for CPFPF and TPAF, which are cost sharing plans with special funding situations, and for JRS, POPF, and SPRS, which are single employer plans, annual pension cost equals annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

The annual pension cost for the fiscal year ending June 30, 2006 and related information, including a summary of the significant actuarial methods and assumptions used by the Funds, are presented on the following pages. Note that the assumption regarding post-retirement benefit increases has not been disclosed because post-retirement health care benefits are currently being funded on a modified pay-as-you-go basis and not on an actuarial reserve basis.

		CPFPF	JRS	PFRS
Annual Pension Cost (APC)				
State:	**06/30/04**	$ 4,494,183	$ 17,080,677	$ 22,215,429
	06/30/05	10,948,923	21,379,105	49,326,846
	06/30/06	6,571,593	22,849,429	73,541,000
Local:	**06/30/04**	--	--	53,396,685
	06/30/05	--	--	132,740,650
	06/30/06	--	--	260,986,583
Contributions Made				
State:	**06/30/04**	1,950,425	3,355,438	22,215,439
	06/30/05	7,046,000	6,162,076	49,326,846
	06/30/06	6,396,222	7,972,000	73,541,000
Local:	**06/30/04**	--	--	53,396,685
	06/30/05	--	--	132,740,650
	06/30/06	--	--	260,986,583
Percentage of APC Contributed				
State:	**06/30/04**	43.4%	19.6%	100.0%
	06/30/05	64.4%	28.8%	100.0%
	06/30/06	97.3%	34.9%	100.0%
Local:	**06/30/04**	--	--	100.0%
	06/30/05	--	--	100.0%
	06/30/06	--	--	100.0%
Net Pension Obligation				
State:	**06/30/04**	3,380,289	(31,930,670)	--
	06/30/05	7,283,212	(16,713,641)	--
	06/30/06	7,458,583	(1,836,212)	--
Local:	**06/30/04**	--	--	--
	06/30/05	--	--	--
	06/30/06	--	--	--
Contribution rates				
State		N/A	37.1%	16.4%
State-related employers		N/A	N/A	10.9%
Employees		N/A	3.0%	8.5%

Significant Actuarial Assumptions and Methods			
Date of actuarial valuation	6/30/05	6/30/05	6/30/05
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Dollar Closed	Level Dollar Closed	Level Percent Closed
Remaining amortization period	1 year	30 years	30 years
Asset valuation method	Five Year Average of Market Value	Five Year Average of Market Value	Five Year Average of Market Value
Actuarial assumptions			
Investment rate of return	2.00%	8.25%	8.25%
Projected salary increases	N/A	5.45%	7.20%
Cost-of-Living adjustments	N/A	1.80%	1.80%

		POPF	PERS	SPRS	TPAF
Annual Pension Cost (APC)					
State:	**06/30/04**	$ (938,653)	$ 526,505	$ 41,701,749	$ 881,968,280
	06/30/05	(467,005)	463,342	43,542,005	903,979,061
	06/30/06	801,063	568,139	51,525,290	1,212,219,609
Local:	**06/30/04**	--	20,882,718	--	--
	06/30/05	--	56,916,883	--	--
	06/30/06	--	141,498,069	--	--
Contributions Made					
State:	**06/30/04**	--	526,505	--	--
	06/30/05	--	463,342	187,909	--
	06/30/06	--	568,139	12,941,000	93,834,999
Local:	**06/30/04**	--	20,882,718	--	--
	06/30/05	--	56,916,883	--	--
	06/30/06	--	141,498,069	--	--
Percentage of APC Contributed					
State:	**06/30/04**	0.0%	100.0%	0.0%	0.0%
	06/30/05	0.0%	100.0%	0.4%	0.0%
	06/30/06	0.0%	100.0%	25.1%	7.7%
Local:	**06/30/04**	--	100.0%	--	--
	06/30/05	--	100.0%	--	--
	06/30/06	--	100.0%	--	--
Net Pension Obligation					
State:	**06/30/04**	(6,754,707)	--	155,898,255	686,284,850
	06/30/05	(7,221,712)	--	199,252,351	1,590,263,911
	06/30/06	(6,420,649)	--	237,836,641	2,708,648,521
Local:	**06/30/04**	--	--	--	--
	06/30/05	--	--	--	--
	06/30/06	--	--	--	--
Contribution rates					
State		N/A	0.0%	23.0%	15.1%
State-related employers		N/A	2.3%	N/A	N/A
Employees		N/A	5.0% (7.5% for County Prosecutors)	7.5%	5.0%
Significant Actuarial Assumptions and Methods					
Date of actuarial valuation		6/30/05	6/30/05	6/30/05	6/30/05
Actuarial cost method		Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method		Level Dollar Closed	Level Percent Closed	Level Dollar Closed	Level Percent Closed
Remaining amortization period		1 year	30 years	30 years	30 years
Asset valuation method		Market Value	Five Year Average Market Value	Five Year Average Market Value	Five Year Average Market Value
Actuarial assumptions					
Investment rate of return		5.00%	8.25%	8.25%	8.25%
Projected salary increases		N/A	5.45%	5.45%	5.45%
Cost-of-Living adjustments		N/A	1.80%	1.80%	1.80%

The Annual Pension Cost (APC) and Net Pension Obligation (NPO) for the single employer plans and cost sharing plans with special funding situations, which are administered by the State of New Jersey for the fiscal year ending June 30, 2006 are presented below:

	SINGLE EMPLOYER PLANS		
	JRS	POPF	SPRS
Annual Required Contribution, 6/30/06	$ 23,212,502	$ (6,420,649)	$ 47,196,900
Interest adjustment on NPO	(1,378,875)	(361,086)	16,438,319
Adjustment to Annual Required Contribution	1,015,802	7,582,798	(12,109,929)
APC as of June 30, 2006	22,849,429	801,063	51,525,290
Total Fiscal Year 2006 Contributions	7,972,000	--	12,941,000
Increase in NPO	14,877,429	801,063	38,584,290
NPO as of June 30, 2005	(16,713,641)	(7,221,712)	199,252,351
NPO as of June 30, 2006	$ (1,836,212)	$ (6,420,649)	$ 237,836,641

	COST SHARING PLANS WITH SPECIAL FUNDING SITUATIONS		
	CPFPF	TPAF	TOTAL ALL PLANS
Annual Required Contribution, 6/30/06	$ 13,854,805	$ 1,177,674,055	$ 1,255,517,613
Interest adjustment on NPO	145,664	131,196,773	146,040,795
Adjustment to Annual Required Contribution	(7,428,876)	(96,651,219)	(107,591,424)
APC as of June 30, 2006	6,571,593	1,212,219,609	1,293,966,984
Total Fiscal Year 2006 Contributions	6,396,222	93,834,999	121,144,221
Increase in NPO	175,371	1,118,384,610	1,172,822,763
NPO as of June 30, 2005	7,283,212	1,590,263,911	1,772,864,121
NPO as of June 30, 2006	$ 7,458,583	$ 2,708,648,521	$ 2,945,686,884

NOTE 18 - POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2006, there were 71,719 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994 with an additional contribution beginning in Fiscal Year 1996 to maintain a medical reserve that increases by one half of one percent of the active State payroll each year.

Commencing on July 1, 1997, State employees attaining 25 years of service credit after this date in a State administered retirement system and those who retire on disability who elect the Traditional Plan shall be subject to premium sharing based on the negotiated contracts.

The State made post-retirement medical (PRM) contributions of $555.3 million for TPAF and $211.5 million for PERS in Fiscal Year 2006.

P.L. 1977, c.136, provides for the State's General Fund to pay health benefits on a pay-as-you-go basis for all enrolled retired State employees, regardless of retirement date, under two provisions. The first is for State employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired State employees who are eligible for a disability retirement regardless of years of service. PERS and TPAF retirees are excluded from the provisions set forth in P.L. 1977, c.136 since their health benefits coverage is funded through each of their respective pension fund systems. The State contributed $76.9 million for 5,965 eligible retired members for Fiscal Year 2006.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $100.7 million toward Chapter 126 benefits for 10,777 eligible retired members in Fiscal Year 2006.

P.L. 1997, c.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State is responsible for

80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State contributed $19.6 million in the current year to provide benefits under Chapter 330 to qualified retirees.

NOTE 19 - COMPONENT UNITS

A. Authorities

The accounts of public authorities, private not-for-profit corporations, and similar entities (hereinafter called Authorities) in the accompanying financial statements are derived from their most recently issued annual financial statements. Authorities are legally separate entities that are not operating departments of the State.

The activities of the Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey School Construction Corporation, the New Jersey Transportation Trust Fund Authority, and the Tobacco Settlement Financing Corporation have been blended into the financial activities of the State as special revenue funds. All other Authorities have been discretely presented as major and nonmajor component units in the State's financial statements in accordance with GASB Statement No. 14, *The Financial Reporting Entity.*

The Authorities are managed independently, outside the appropriated budget process, and their powers generally are vested in a governing board. Authorities are established for a variety of purposes for the benefit of the State's citizenry, such as financing economic development, public transportation, low cost housing, environmental protection, and capital development for health and education. In addition, they are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

The Governor, with the approval of the State Senate, appoints the members of the board of most Authorities. Authorities generally submit annual reports to the Governor, the State Legislature, and the State Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Authorities also submit to the Governor and the State Legislature annual budget information on operations and capital construction. The Governor has from time to time exercised the statutory power to veto actions.

These component units are included in the State's reporting entity because of the significance of their operational or financial relationship with the State. Descriptions of the discretely presented Authorities and addresses from which separately issued audited financial statements may be obtained are provided below:

Casino Reinvestment Development Authority (N.J.S.A. 5:12-153)
1014 Atlantic Avenue
Atlantic City, New Jersey 08401
www.njcrda.com

The Authority was created to maintain public confidence in the casino gaming industry as a tool of urban redevelopment throughout New Jersey and to directly facilitate the redevelopment of blighted areas by providing eligible projects in which licensees (casinos) can invest. The Authority encourages investment in, or financing of, projects which are made as part of a comprehensive plan to improve blighted areas or are targeted to benefit low through middle income residents. The Authority is also responsible for promoting the tourist industry in New Jersey, especially in Atlantic County.

New Jersey Commerce, Economic Growth and Tourism Commission (P.L. 1998, c.44)
20 West State Street, P.O. Box 820
Trenton, New Jersey 08625-0820
www.newjerseycommerce.org

The New Jersey Commerce, Economic Growth and Tourism Commission's mission is to serve as the lead agency for promoting job growth, business growth, and economic development in New Jersey.

New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises (P.L. 1985, c.386)
36 West State Street, P.O. Box 990
Trenton, New Jersey 08625
www.fieldus.org/directory/records/335.htm

The New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises was established to provide financial assistance to small businesses and businesses owned by minorities and women in order to encourage entrepreneurship within these groups.

New Jersey Economic Development Authority (N.J.S.A. 34:1B-4)
36 West State Street, P.O. Box 990
Trenton, New Jersey 08625
www.njeda.com

The New Jersey Economic Development Authority is authorized to arrange long-term, low-interest financing, and other forms of assistance to private firms and companies for the purpose of maintaining and expanding employment opportunities and enlarging state and local government's tax base.

New Jersey Educational Facilities Authority (N.J.S.A. 18A:72A-4)
103 College Road East
Princeton, New Jersey 08540-6601
www.njefa.com

The New Jersey Educational Facilities Authority was established to provide a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell its debt instruments (bonds, notes, and other obligations). The Authority may finance academic and auxiliary facilities for the public and independent institutions of higher education.

New Jersey Environmental Infrastructure Trust (N.J.S.A. 58:11B-4)
3131 Princeton Pike - Building 6, P. O. Box 440
Trenton, New Jersey 08625
www.njeit.org

The New Jersey Environmental Infrastructure Trust was established to make loans and guarantee debt incurred by local government units in financing the cost of wastewater treatment system projects. The Trust may from time to time issue bonds, notes, or other obligations in any principal amounts that the Trust deems necessary, up to an aggregate principal amount of $600 million, in order to provide sufficient funds to carry out its statutory purpose.

New Jersey Health Care Facilities Financing Authority (N.J.S.A. 26:2I-4)
South Clinton and Yard Avenues, Station Plaza Bldg. #4
P.O. Box 366
Trenton, New Jersey 08625
www.njhcffa.com

The New Jersey Health Care Facilities Financing Authority was established to provide low-cost capital financing for the public and private not-for-profit health care institutions of the State.

New Jersey Higher Education Student Assistance Authority (N.J.S.A. 18A:71A-1 et. seq.)
4 Quakerbridge Plaza, P.O. Box 547
Trenton, New Jersey 08625-0540
www.hesaa.org

This Authority was established to provide a single agency for the coordination and delivery of student financial assistance in the State. The Authority serves as the Guaranty Agency for the Federal Family Education Loan (FFEL) Program and the issuer of State of New Jersey College Loans to Assist State Students (NJCLASS) supplementary loan program. The authority also administers the State Tuition Aid Grants (TAG), scholarship programs, and the State College Savings Program, known as the New Jersey Better Educational Savings Trust (NJBEST).

New Jersey Housing and Mortgage Finance Agency (N.J.S.A. 55:14K-4)
637 South Clinton Avenue, P. O. Box 18550
Trenton, New Jersey 08650-2085
www.state.nj.us/dca/hmfa

The Housing and Mortgage Finance Agency makes mortgage and improvement loans to nonprofit and limited dividend sponsors for the construction or major rehabilitation of rental apartment housing for low and moderate-income families and senior citizens. In addition to providing financing, the Agency monitors and provides technical support in the planning, construction, and management of all developments in its portfolio. Its mortgage loan funds come from the sale of tax-exempt revenue bonds.

In promoting the availability of affordable homeownership financing, the Agency also provides low-interest mortgage and improvement loans to eligible residents throughout the State. Proceeds from the sale of tax-exempt mortgage revenue bonds enable the Agency to finance the purchase and improvement of one to four unit residences.

New Jersey Meadowlands Commission (N.J.S.A. 13:17-5)
1 De Korte Park Plaza
Lyndhurst, New Jersey 07071
www.meadowlands.state.nj.us

The New Jersey Meadowlands Commission is authorized and empowered to be the planning and zoning agency for the reclaiming, planning, development, redevelopment, and enhancement, including open space acquisition of the 19,730 acre Meadowlands District. The District consists of waterways, tidal flow lands, woodlands, marsh, and meadows contained within portions of 14 municipalities and two counties; Bergen and Hudson. Through the issuance, if needed, of tax-exempt bonds and notes, the Commission is able to raise needed funds.

New Jersey Redevelopment Authority (P.L. 1996, c.62)
150 West State Street, P. O. Box 790
Trenton, New Jersey 08625
www.state.nj.us/njra

The New Jersey Redevelopment Authority provides assistance in the redevelopment and revitalization of New Jersey cities. The Authority provides financial, managerial, and technical assistance to persons, firms, or corporations that wish to undertake industrial, commercial, or civic projects within qualified municipalities.

New Jersey Sports and Exposition Authority (N.J.S.A. 5:10-4)
50 Route 120
East Rutherford, New Jersey 07073
www.njsea.com

The New Jersey Sports and Exposition Authority is engaged in the business of owning, operating, and managing sports, entertainment, wagering, and convention facilities throughout the State. It has been responsible for the financing, construction, and management of the Meadowlands Racetrack and Giants Stadium, both of which opened in 1976, and the Continental Airlines Arena which opened in July, 1981. The Authority is charged with the responsibility to own, operate, and build various facilities, located in the State, including the Atlantic City Convention and Visitors Authority, for athletic and entertainment events, trade shows, and other expositions, and is authorized to issue bonds and notes and to provide the terms and security thereof.

New Jersey Transit Corporation (N.J.S.A. 27:25-1)
One Penn Plaza East
Newark, New Jersey 07105
www.njtransit.com

New Jersey Transit Corporation (NJ TRANSIT) is empowered to acquire, own, operate, and contract for the operation of public transportation services. NJ TRANSIT receives operating subsidies principally from the State by legislative appropriation and the Federal Government by defined formula grants under the Federal Transit Administration. These government grants are used to support the operation of public transportation services. NJ TRANSIT provides these services through the operation of bus and commuter rail subsidiaries. NJ TRANSIT also contracts with several motor bus carriers for certain transportation services. Under these contracts, NJ TRANSIT has the right to set fares and coordinate service levels and schedules. In addition, NJ TRANSIT contracts with the National Railroad Passenger Corporation (Amtrak) for the use of Amtrak's northeast corridor, including propulsion costs and the cost of maintaining right-of-way.

New Jersey Turnpike Authority (N.J.S.A. 27:23-3)
P. O. Box 1121
New Brunswick, New Jersey 08903
www.state.nj.us/turnpike

The New Jersey Turnpike Authority is authorized to construct, maintain, repair, and operate turnpike projects at locations established by law. Furthermore, the Authority may issue turnpike revenue bonds or notes of the Authority, subject to prior approval by the Governor and by either or both the State Treasurer and Comptroller, payable solely from tolls and other revenues of the Authority. Effective July 9, 2003, the New Jersey Highway Authority merged and became part of the New Jersey Turnpike Authority.

New Jersey Water Supply Authority (N.J.S.A. 58:1B-4)
P. O. Box 5196
Clinton, New Jersey 08809
www.njwsa.org

The New Jersey Water Supply Authority is authorized to acquire, finance, construct, and operate water supply systems. The Authority currently operates and maintains the Delaware and Raritan Canal and the Spruce Run/Round Valley Reservoir water supply system. The Authority may, upon the request of a municipality, county, the State, or agencies thereof, enter into a contract to provide services for any water system project. All projects undertaken by the Authority shall conform to the recommendations of the New Jersey Statewide Water Supply Plan. Bonds of the Authority may be issued to finance these projects and the debt service on the bonds is payable from the revenues and other funds of the Authority.

South Jersey Port Corporation (N.J.S.A. 12:11A-1)
Second and Beckett Streets
Camden, New Jersey 08101
www.southjerseyport.com

The South Jersey Port Corporation is empowered to establish, acquire, construct, rehabilitate, improve, operate, and maintain marine terminals in the South Jersey Port District, including Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May counties. To this end, the Corporation may issue tax-exempt revenue bonds subject to the provisions and restrictions of its Marine Terminal Bond Resolution, which mandates the distribution of funds to various Port Corporation funds.

South Jersey Transportation Authority (P.L. 1991, c.252)
Farley Service Plaza, P. O. Box 351
Hammonton, New Jersey 08037
www.sjta.com

The South Jersey Transportation Authority is authorized and empowered to acquire, construct, maintain, operate, and support transportation projects including the Atlantic City Expressway and the Atlantic County International Airport. The Authority may issue revenue bonds or notes of the Authority subject to prior approval by the Governor and by either or both the State Treasurer and State Comptroller, payable solely from tolls and other revenues of the Authority.

B. Colleges and Universities

As a result of P.L. 1986, c.42 and c.43, State colleges, whose revenues and expenditures were previously accounted for in the General Fund of the State of New Jersey, were given autonomous status effective July 1, 1987.

The financial statements of the colleges and universities have been prepared in accordance with GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These component units are included in the State's reporting entity due to the significance of their operational or financial relationships and fiscal dependency with the State. The colleges and universities are funded through State appropriations, tuition, federal grants, and private donations and grants. Since the colleges and universities are similar in nature and function, their statements have been discretely presented in the statement of net assets and the statement of activities. They are presented in two categories, major and nonmajor. This distinction is determined by the relative size of an entity's assets, liabilities, revenues, and expenditures in relation to the total of all the colleges and universities. Pursuant to GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, all of the State colleges and universities' financial statements include the financial activity related to foundations and other similar organization within the colleges and universities.

Separately issued independent audited financial statements may be directly obtained from the colleges and universities. Addresses and web-sites of the colleges and universities are presented below:

The College of New Jersey
(N.J.S.A. 18A:62-1)
2000 Pennington Road
Ewing, New Jersey 08628
www.tcnj.edu

The William Paterson University of New Jersey
(N.J.S.A. 18A:62-1)
358 Hamburg Turnpike
Wayne, New Jersey 07470
www.wpunj.edu

Thomas Edison State College
(N.J.S.A. 18A:62-1)
101 West State Street
Trenton, New Jersey 08608
www.tesc.edu

Ramapo College of New Jersey
(N.J.S.A. 18A:62-1)
505 Ramapo Valley Road
Mahwah, New Jersey 07430
www.ramapo.edu

Kean University
(N.J.S.A. 18A:62-1)
1000 Morris Avenue
Union, New Jersey 07083
www.kean.edu

Rowan University
(N.J.S.A. 18A:62-1)
201 Mullica Hill Road
Glassboro, New Jersey 08028
www.rowan.edu

Montclair State University
(N.J.S.A. 18A:62-1)
One Normal Avenue
Upper Montclair, New Jersey 07043
www.montclair.edu

Rutgers, The State University of New Jersey
(N.J.S.A. 18A:65-12)
65 Davidson Road
Piscataway, New Jersey 08854
www.rutgers.edu

New Jersey City University
(N.J.S.A. 18A:62-1)
2039 Kennedy Boulevard
Jersey City, New Jersey 07305
www.njcu.edu

The Richard Stockton State College of New Jersey
(N.J.S.A. 18A:62-1)
P.O. Box 195
Pomona, New Jersey 08420
www2.stockton.edu

New Jersey Institute of Technology
(N.J.S.A. 18A:64E-4)
323 Dr. Martin Luther King Jr. Boulevard
University Heights
Newark, New Jersey 07102
www.njit.edu

University of Medicine and Dentistry of New Jersey
(N.J.S.A. 18A:64G-4)
335 George Street
New Brunswick, New Jersey 08903
www.umdnj.edu

NOTE 20 - CONTINGENT LIABILITIES

General Fund

At any given time, there are various numbers of tort, contract, and other claims and cases pending against the State, State agencies, and employees, seeking recovery of monetary damages. The claims filed can represent significant amounts and include, but are not limited to, issues regarding pensions and education funding. The majority of these claims have historically proven to be substantially less value than originally claimed. The State does not formally estimate its reserve representing potential exposure for these claims and cases. As of June 30, 2006, the exact amount involved in these legal proceedings is not fully determinable.

Unapplied overpayments of Corporate Business Tax are recorded when a final determination is made as to the ultimate disposition of the overpayment. These overpayments only become a liability based upon a taxpayer filing a request for the refund. As of June 30, 2006 there was approximately $191.0 million of overpayments.

New Jersey Lawyers' Fund for Client Protection

Claims of approximately $17.3 million have been filed against this Fund by individuals and companies seeking reimbursement for losses resulting from the alleged dishonest conduct by members of the Bar of the State of New Jersey. Under present rules and regulations of the Fund, the total maximum amount that may be awarded from this Fund is $5.1 million. The ultimate disposition of these claims is not determinable at this time.

New Jersey Spill Compensation Fund

As of June 30, 2006, various claims have been filed against the Fund by third parties for damages caused by spills. These claims have not reached the stage in the judicial process where reasonable amounts have been established, and therefore, are not classified as liabilities under generally accepted accounting principles.

Property Tax Relief Fund

Unapplied overpayments of Gross Income Tax are recorded when a final determination is made as to the ultimate disposition of the overpayment. These overpayments only become a liability based upon a taxpayer filing a request for the refund. As of June 30, 2006 there were approximately $571.0 million of overpayments.

Sanitary Landfill Facility Contingency Fund

Various claims totaling approximately $24.0 million have been filed against this Fund by individuals, local municipalities, and school districts. In addition, there are a number of similar claims for unspecified dollar amounts which are pending. The ultimate disposition of these claims is not determinable at this time.

University of Medicine and Dentistry of New Jersey – Self Insurance Reserve Fund

The State has the ultimate liability for tort and malpractice claims in excess of the resources of the Fund.

Capital Projects Funds

Due to delays in construction and design problems, various claims for damages have been filed with respect to the Special Transportation Fund in the amount of $47.3 million. Fund management is presently evaluating the claims. There has been no determination as to the ultimate amount for which this Fund will be liable.

Federal Programs

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. As of June 30, 2006, audits of expenditures for Fiscal Year 2006 and prior years may not be completed. Disallowances which may result from these audits are not determinable at this time. As of June 30, 2006, it is management's opinion that disallowances, if any, would not be material.

NOTE 21 – SUBSEQUENT EVENTS

Short-term Debt

For Fiscal Year 2007, the State authorized the issuance of $2.5 billion in short-term debt. The aggregate principal is to be used to provide effective cash flow management to fund the imbalances that occur in the collection of revenues and the disbursement of appropriations. On October, 5, 2006 the State issued $1.75 billion of tax and revenue anticipation notes that bear an interest rate of 4.5 percent per annum. The notes have a June 22, 2007 final maturity. The State has another $750.0 million remaining in Fiscal Year 2007 borrowing authorization, should the State need additional funds in order to manage its cash flow more effectively.

Long-term Debt

On August 17, 2006 the New Jersey Building Authority issued $48.7 million of its State Building Revenue Bonds, 2006 Series A. The proceeds are to be used to construct an approximate 275,000 square foot public health, agricultural, and environmental laboratory to be located in Ewing Township. Interest on the bonds is payable semi-annually on June 15 and December 15, commencing on December 15, 2006. Final maturity on the bonds is June 15, 2027.

On October 26, 2006 the New Jersey Educational Facilities Authority issued its Revenue Refunding Bonds, Higher Education Capital Improvement Fund Issue, Series 2006 A in the aggregate principal amount of $155.5 million. The proceeds will refund $10.5 million of the Authority's Series 2000 A Bonds, $11.4 million of the Authority's Series 2000 B Bonds, $102.8 million of its Series 2002 A Bonds, and $22.8 million of its Series 2004 A Bonds. Interest on the bonds is payable semi-annually on each March 1 and September 1, beginning on March 1, 2007. Final maturity on the bonds is September 1, 2024.

On November 2, 2006 the New Jersey Economic Development Authority, in accordance with the Educational Facilities Construction and Financing Act, issued $100.0 million of School Facilities Construction Bonds 2006 Series S, and $500.0 million of School Facilities Construction Bonds 2006 Series R. Proceeds are to be used for the purpose of partially funding the school facilities construction program. The 2006 Series S Bonds were issued as fixed rate debt. Interest on the bonds is payable semi-annually on March 1 and September 1, commencing on March 1, 2007. The final maturity on the 2006 Series S Bonds is September 1, 2036. The 2006 Series R Bonds were issued as variable rate debt and have a final maturity of September 1, 2031.

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	General Fund			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	$ 12,776,491,000	$ 13,355,794,000	$ 13,572,024,514	$ 216,230,514
Federal and other grants	9,345,485,511	9,517,422,530	8,056,902,489	(1,460,520,041)
Licenses and fees	1,265,862,098	1,011,158,981	839,567,771	(171,591,210)
Services and assessments	2,299,715,867	1,874,435,735	1,409,775,075	(464,660,660)
Investment earnings	32,000	69,949,042	90,879,352	20,930,310
Contributions	--	--	1,442	1,442
Other	3,768,111,079	3,603,960,124	2,979,447,924	(624,512,200)
Total Revenues	29,455,697,555	29,432,720,412	26,948,598,567	(2,484,121,845)
OTHER FINANCING SOURCES				
Transfers from other funds	1,984,742,000	2,479,086,055	2,178,935,582	(300,150,473)
Total Other Financing Sources	1,984,742,000	2,479,086,055	2,178,935,582	(300,150,473)
Total Revenues and Other Financing Sources	31,440,439,555	31,911,806,467	29,127,534,149	(2,784,272,318)
EXPENDITURES				
Public safety and criminal justice	3,377,347,889	3,401,104,872	3,014,952,168	386,152,704
Physical and mental health	9,710,914,046	9,702,913,267	9,128,851,933	574,061,334
Educational, cultural, and intellectual development	4,983,684,454	4,670,534,478	4,244,064,360	426,470,118
Community development and environmental management	1,813,035,556	1,823,647,780	1,276,680,343	546,967,437
Economic planning, development, and security	4,262,475,820	4,297,589,132	3,682,244,783	615,344,349
Transportation programs	486,136,109	495,221,240	426,006,094	69,215,146
Government direction, management, and control	4,591,570,859	4,694,453,027	4,234,482,209	459,970,818
Special government services	425,443,034	434,384,883	311,634,421	122,750,462
Total Expenditures	29,650,607,767	29,519,848,679	26,318,916,311	3,200,932,368
OTHER FINANCING USES				
Transfers to other funds	1,827,302,788	1,828,641,788	1,827,302,788	1,339,000
Total Other Financing Uses	1,827,302,788	1,828,641,788	1,827,302,788	1,339,000
Total Expenditures and Other Financing Uses	31,477,910,555	31,348,490,467	28,146,219,099	3,202,271,368
Net change in fund balance	(37,471,000)	563,316,000	981,315,050	417,999,050
FUND BALANCES - JULY 1, 2005	349,055,000	461,701,143	461,701,143	--
FUND BALANCES - JUNE 30, 2006	$ 311,584,000	$ 1,025,017,143	$ 1,443,016,193	$ 417,999,050

Property Tax Relief Fund			
Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
$ 10,634,689,588	$ 10,834,689,588	$ 10,506,564,988	$ (328,124,600)
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
10,634,689,588	10,834,689,588	10,506,564,988	(328,124,600)
--	--	--	--
--	--	--	--
10,634,689,588	10,834,689,588	10,506,564,988	(328,124,600)
--	--	--	--
--	--	--	--
8,428,274,273	8,484,208,792	8,735,887,525	(251,678,733)
861,510,199	835,028,376	861,163,545	(26,135,169)
--	--	--	--
--	--	--	--
1,344,905,116	1,309,961,420	1,337,151,230	(27,189,810)
--	--	--	--
10,634,689,588	10,629,198,588	10,934,202,300	(305,003,712)
--	233,366,000	--	233,366,000
--	233,366,000	--	233,366,000
10,634,689,588	10,862,564,588	10,934,202,300	(71,637,712)
--	(27,875,000)	(427,637,312)	(399,762,312)
--	27,874,660	27,874,660	--
$ --	$ (340)	$ (399,762,652)	$ (399,762,312)

(Continued on next page)

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE (Continued)
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	TOTAL MAJOR GOVERNMENTAL FUNDS			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	$ 23,411,180,588	$ 24,190,483,588	$ 24,078,589,502	$ (111,894,086)
Federal and other grants	9,345,485,511	9,517,422,530	8,056,902,489	(1,460,520,041)
Licenses and fees	1,265,862,098	1,011,158,981	839,567,771	(171,591,210)
Services and assessments	2,299,715,867	1,874,435,735	1,409,775,075	(464,660,660)
Investment earnings	32,000	69,949,042	90,879,352	20,930,310
Contributions	--	--	1,442	1,442
Other	3,768,111,079	3,603,960,124	2,979,447,924	(624,512,200)
Total Revenues	40,090,387,143	40,267,410,000	37,455,163,555	(2,812,246,445)
OTHER FINANCING SOURCES				
Transfers from other funds	1,984,742,000	2,479,086,055	2,178,935,582	(300,150,473)
Total Other Financing Sources	1,984,742,000	2,479,086,055	2,178,935,582	(300,150,473)
Total Revenues and Other Financing Sources	42,075,129,143	42,746,496,055	39,634,099,137	(3,112,396,918)
EXPENDITURES				
Public safety and criminal justice	3,377,347,889	3,401,104,872	3,014,952,168	386,152,704
Physical and mental health	9,710,914,046	9,702,913,267	9,128,851,933	574,061,334
Educational, cultural, and intellectual development	13,411,958,727	13,154,743,270	12,979,951,885	174,791,385
Community development and environmental management	2,674,545,755	2,658,676,156	2,137,843,888	520,832,268
Economic planning, development, and security	4,262,475,820	4,297,589,132	3,682,244,783	615,344,349
Transportation programs	486,136,109	495,221,240	426,006,094	69,215,146
Government direction, management, and control	5,936,475,975	6,004,414,447	5,571,633,439	432,781,008
Special government services	425,443,034	434,384,883	311,634,421	122,750,462
Total Expenditures	40,285,297,355	40,149,047,267	37,253,118,611	2,895,928,656
OTHER FINANCING USES				
Transfers to other funds	1,827,302,788	2,062,007,788	1,827,302,788	234,705,000
Total Other Financing Uses	1,827,302,788	2,062,007,788	1,827,302,788	234,705,000
Total Expenditures and Other Financing Uses	42,112,600,143	42,211,055,055	39,080,421,399	3,130,633,656
Net change in fund balance	(37,471,000)	535,441,000	553,677,738	18,236,738
FUND BALANCES - JULY 1, 2005	349,055,000	489,575,803	489,575,803	--
FUND BALANCES - JUNE 30, 2006	$ 311,584,000	$ 1,025,016,803	$ 1,043,253,541	$ 18,236,738

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	General Fund	Property Tax Relief Fund
Sources/inflows of resources:		
Total revenues and other financing sources--actual amounts (budgetary basis) from the budgetary comparison schedule	$29,127,534,149	$10,506,564,988
Differences--budget to GAAP:		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB 24).	461,664,536	--
Federal revenue related to encumbrances is a budgetary resource but is not earned on a GAAP basis.	(180,766,724)	--
Proceeds and premium from the sale of school construction bonds by the Economic Development Authority are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	1,484,056,789	--
Proceeds and premium from the sale of general obligation refunding bonds are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	224,049,656	--
Proceeds and premiums from the sale of installment obligation bonds including refundings are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	568,129,390	--
Additions to other debt are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	280,264,687	--
Excess anticipated revenue transferred to Fund Balance - Reserved for Surplus Revenue is not a budgetary resource but is revenue for financial reporting purposes.	271,144,001	--
Revenues in other funds are not inflows of budgetary resources but have been incorporated into revenues for financial reporting purposes.	(90,061,453)	--
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	$32,146,015,031	$10,506,564,988

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures (continued)

	General Fund	Property Tax Relief Fund
Uses/outflows of resources:		
Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule	$28,146,219,099	$10,934,202,300
Differences--budget to GAAP:		
Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(1,066,255,147)	(4,330,000)
Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes.	891,876,786	271,957
Loans and travel advances are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(2,652,333)	--
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	22,652,025	--
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24).	461,664,536	--
School construction bonds proceeds distributed to the New Jersey Schools Construction Corporation are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	1,449,246,838	--
General obligation refunding bonds proceeds deposited with fiscal agent are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	224,049,656	--
Installment obligation refunding bonds proceeds deposited with fiscal agent are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	568,129,390	--
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	280,264,687	--
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	$30,975,195,537	$10,930,144,257

STATE OF NEW JERSEY
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

Budgetary Process

The Appropriations Act provides annual budgets for the General Fund and certain special revenue funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief Funds). The State Legislature enacts the Budget through passage of specific departmental appropriations, the sum of which may not exceed estimated resources. It is a constitutional requirement that the Budget be balanced. The Governor certifies the revenues. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to State Legislative override. Once passed and signed, the Appropriations Act becomes the State's financial plan for the coming fiscal year. Spending authority contained in the Appropriations Act may be revised by supplemental appropriations approved by both the State Legislature and the Governor. Expenditures are presented on the accompanying budgetary basis financial statements by statewide program classifications, not by the legal level of budgetary control. Detail at the departmental level is presented on the accompanying Schedules of Appropriations and Expenditures.

For the General Fund and budgeted special revenue funds, budgetary control (legal control) is maintained within the department (as indicated on the organization chart shown in the Transmittal Letter) at the appropriation line item level. Program classifications represent a lower level, operating program function, consisting of closely related activities with identifiable objectives or goals. Program classification examples include Water Supply Management, Forestry Management, Shellfish and Marine Fisheries Management, in the Department of Environmental Protection. Revisions to the Appropriations Act during the fiscal year may be effected with certain executive and legislative branch approvals. In accordance with the "General Provisions" section of the Annual Appropriations Act, the Executive Branch may amend the budget within a department with the approval of the Director of the Office of Management and Budget. Under specific conditions, additional approval by the Office of Legislative Services is required. Only the State Legislature, however, may transfer appropriations between departments. Transfers within a department are permitted within certain guidelines and Executive Branch approval.

Appropriations are authorized for expenditure during the fiscal year and for a period of one month thereafter, and unencumbered appropriations lapse at the end of the fiscal year, unless otherwise specified by the Appropriations Act.

The State's budgetary basis of accounting differs from that utilized to present fund financial statements in conformance with generally accepted accounting principles (GAAP). The main differences between the budgetary basis and the GAAP basis used to present fund financial statements, are that under the budgetary basis encumbrances are recognized as expenditures, the federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year. In addition, under the GAAP basis in the fund financial statements, certain grants and other financial assistance are required to be recorded as revenues and expenditures.

The Budgetary Comparison Schedule displays the undesignated-unreserved fund balance for the original budget, final budget, and actual amounts (budgetary basis). The beginning fund balance for the original budget is estimated as of July 1 while the beginning fund balance for the final budget and actual amount columns represent actual amounts.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ALL PENSION TRUST FUNDS

Plan / Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
PERS - State						
6/30/03	10,829,953,189	11,942,299,170	1,112,345,981	90.7%	3,576,118,300	31.1%
6/30/04	10,693,508,592	12,620,379,435	1,926,870,843	84.7%	3,751,765,096	51.4%
6/30/05	10,631,348,826	13,432,528,883	2,801,180,057	79.1%	4,028,028,170	69.5%
PERS - Local						
6/30/03	16,406,284,200	15,887,012,746	(519,271,454)	103.3%	5,811,726,702	(8.9)%
6/30/04	16,414,022,003	17,077,938,057	663,916,054	96.1%	6,140,413,756	10.8%
6/30/05	16,482,040,944	18,341,857,304	1,859,816,360	89.9%	6,416,265,644	29.0%
TPAF						
6/30/03	34,651,825,932	37,383,732,882	2,731,906,950	92.7%	7,702,854,159	35.5%
6/30/04	34,633,790,549	40,447,690,339	5,813,899,790	85.6%	8,047,272,269	72.2%
6/30/05	34,789,389,875	43,967,927,299	9,178,537,424	79.1%	8,454,072,109	108.6%
PFRS-State						
6/30/03	1,907,752,767	2,330,909,918	423,157,151	81.8%	447,470,022	94.6%
6/30/04	1,940,936,459	2,509,192,584	568,256,125	77.4%	450,406,301	126.2%
6/30/05	2,005,752,079	2,815,620,221	809,868,142	71.2%	482,460,402	167.9%
PFRS-Local						
6/30/03	16,447,380,691	18,422,073,072	1,974,692,381	89.3%	2,393,467,444	82.5%
6/30/04	16,762,453,668	19,769,046,766	3,006,593,098	84.8%	2,524,859,162	119.1%
6/30/05	17,372,138,294	21,388,972,326	4,016,834,032	81.2%	2,619,347,468	153.4%
SPRS						
6/30/03	1,865,079,083	1,815,725,256	(49,353,827)	102.7%	217,448,864	(22.7)%
6/30/04	1,897,525,210	1,949,309,641	51,784,431	97.3%	223,552,154	23.2%
6/30/05	1,922,443,732	2,075,266,080	152,822,348	92.6%	241,813,372	63.2%
JRS						
6/30/03	372,835,265	431,450,218	58,614,953	86.4%	61,600,500	95.2%
6/30/04	371,730,163	445,922,358	74,192,195	83.4%	61,576,750	120.5%
6/30/05	369,491,366	466,145,912	96,654,546	79.3%	60,506,750	159.7%
CPFPF						
6/30/03	27,623,585	41,396,376	13,772,791	66.7%	-	N/A
6/30/04	21,735,396	35,052,202	13,316,806	62.0%	-	N/A
6/30/05	21,886,445	30,031,591	8,145,146	72.9%	-	N/A
POPF						
6/30/03	17,277,953	10,727,647	(6,550,306)	161.1%	-	N/A
6/30/04	15,884,428	10,060,710	(5,823,718)	157.9%	-	N/A
6/30/05	14,783,465	9,077,157	(5,706,308)	162.9%	-	N/A

STATE OF NEW JERSEY
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2006

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
ASSETS			
Cash and cash equivalents	$ 155,128,680	$ 656,225	$ 155,784,905
Investments	6,524,394,554	55,030,978	6,579,425,532
Receivables, net of allowances for uncollectibles			
Federal government	--	77,963,126	77,963,126
Departmental accounts	436,491,948	507,642	436,999,590
Loans	1,067,872,670	5,000,000	1,072,872,670
Other	230,746,055	115,527,378	346,273,433
Due from other funds	213,568,105	215,382,817	428,950,922
Other	107,513	--	107,513
Total Assets	$ 8,628,309,525	$ 470,068,166	$ 9,098,377,691
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 712,472,186	$ 208,269,978	$ 920,742,164
Deferred revenue	135,814,751	--	135,814,751
Due to other funds	765,370,892	104,888,776	870,259,668
Other	87,120,288	--	87,120,288
Total Liabilities	1,700,778,117	313,158,754	2,013,936,871
Fund Balances			
Reserved for:			
Encumbrances	859,540,689	32,825,293	892,365,982
Other	1,600,267,981	5,000,000	1,605,267,981
Unreserved:			
Designated-continuing appropriations	3,272,074,026	124,084,119	3,396,158,145
Undesignated	1,195,648,712	(5,000,000)	1,190,648,712
Total Fund Balances	6,927,531,408	156,909,412	7,084,440,820
Total Liabilities and Fund Balances	$ 8,628,309,525	$ 470,068,166	$ 9,098,377,691

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES			
Taxes	$ 1,830,747,565	$ --	$ 1,830,747,565
Federal and other grants	151,259,069	672,617,875	823,876,944
Licenses and fees	120,214,717	--	120,214,717
Services and assessments	809,318,658	3,354,679	812,673,337
Investment earnings	202,172,810	5,488,414	207,661,224
Contributions	662,572,113	--	662,572,113
Other	466,775,064	358,512	467,133,576
Total Revenues	4,243,059,996	681,819,480	4,924,879,476
EXPENDITURES			
Current:			
Public safety and criminal justice	97,033,378	18,123,260	115,156,638
Physical and mental health	615,933,256	16,758	615,950,014
Educational, cultural, and intellectual development	1,510,949,217	51,449	1,511,000,666
Community development and environmental management	449,700,472	--	449,700,472
Economic planning, development, and security	870,670,112	233,183	870,903,295
Transportation programs	619,378,793	2,054,642,803	2,674,021,596
Government direction, management, and control	1,738,158,589	2,372	1,738,160,961
Special government services	263,061	--	263,061
Debt Service:			
Principal	34,501,000	--	34,501,000
Interest	205,681,000	--	205,681,000
Total Expenditures	6,142,268,878	2,073,069,825	8,215,338,703
Excess (deficiency) of revenues over expenditures	(1,899,208,882)	(1,391,250,345)	(3,290,459,227)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	2,850,071,792	--	2,850,071,792
Transfers from other funds	4,600,899,163	1,369,418,185	5,970,317,348
Transfers to other funds	(3,091,055,379)	(2,336,431)	(3,093,391,810)
Other sources	2,170,332,779	--	2,170,332,779
Other uses	(2,096,843,811)	--	(2,096,843,811)
Total other financing sources (uses)	4,433,404,544	1,367,081,754	5,800,486,298
Excess (deficiency) of revenues and other sources over expenditures and other uses	2,534,195,662	(24,168,591)	2,510,027,071
Fund balances - July 1, 2005	4,393,335,746	181,078,003	4,574,413,749
Fund balances - June 30, 2006	$ 6,927,531,408	$ 156,909,412	$ 7,084,440,820

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Alcohol Education, Rehabilitation and Enforcement Fund	Atlantic City Parking Fees Fund	Atlantic City Projects-Room Fund
ASSETS			
Cash and cash equivalents	$ 282,544	$ 3,191,723	$ --
Investments	7,038,800	106,941	629,796
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	3,135,027	--
Loans	--	--	--
Other	--	--	--
Due from other funds	1,991,153	16,376	1,711,470
Other	--	--	--
Total Assets	$ 9,312,497	$ 6,450,067	$ 2,341,266
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ --	$ 3,092,397	$ 2,340,435
Deferred revenue	--	--	--
Due to other funds	1,694,083	3,092,347	--
Other	--	--	--
Total Liabilities	1,694,083	6,184,744	2,340,435
Fund Balances			
Reserved for:			
Encumbrances	4,879,071	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	2,739,343	265,323	--
Undesignated	--	--	831
Total Fund Balances	7,618,414	265,323	831
Total Liabilities and Fund Balances	$ 9,312,497	$ 6,450,067	$ 2,341,266

Atlantic City Tourism Promotion Fund	Beaches and Harbor Fund	Board of Bar Examiners	Boarding House Rental Assistance Fund
$ 5,435,134	$ 325,499	$ 2,244	$ 40,344
41,747	1,105,925	5,601,826	149,662
874,760	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
$ 6,351,641	$ 1,431,424	$ 5,604,070	$ 190,006
$ 3,347,442	$ --	$ 696,238	$ --
--	--	--	--
1,711,470	50,812	--	--
--	--	--	--
5,058,912	50,812	696,238	--
--	--	--	--
--	--	--	--
1,292,729	1,380,612	4,907,832	190,006
--	--	--	--
1,292,729	1,380,612	4,907,832	190,006
$ 6,351,641	$ 1,431,424	$ 5,604,070	$ 190,006

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Body Armor Replacement Fund	Capital City Redevelopment Loan and Grant Fund	Casino Control Fund
ASSETS			
Cash and cash equivalents	$ 1,951,914	$ 76,484	$ 51,000
Investments	4,866,460	351,058	--
Receivables, net of allowances for uncollectibles			
Departmental accounts	425,100	--	5,062,726
Loans	--	1,322,404	--
Other	--	--	--
Due from other funds	--	--	6,591,216
Other	--	--	--
Total Assets	$ 7,243,474	$ 1,749,946	$ 11,704,942
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 16,083	$ 17,724	$ 5,218,521
Deferred revenue	--	--	6,410,500
Due to other funds	75,000	83,062	--
Other	--	--	--
Total Liabilities	91,083	100,786	11,629,021
Fund Balances			
Reserved for:			
Encumbrances	233,352	--	846,272
Other	--	1,322,404	--
Unreserved:			
Designated-continuing appropriations	6,919,039	326,756	875,338
Undesignated	--	--	(1,645,689)
Total Fund Balances	7,152,391	1,649,160	75,921
Total Liabilities and Fund Balances	$ 7,243,474	$ 1,749,946	$ 11,704,942

Casino Revenue Fund	Casino Simulcasting Fund	Casino Simulcasting Special Fund	Catastrophic Illness in Children Relief Fund
$ --	$ 1,503,944	$ 1,936,168	$ 491,858
--	471,234	2,666,336	6,523,182
47,404,692	--	--	6,160,194
--	--	--	--
--	--	--	--
28,536,956	--	--	166,729
--	--	--	--
$ 75,941,648	$ 1,975,178	$ 4,602,504	$ 13,341,963
$ 26,335,187	$ --	$ --	$ --
777,000	--	--	--
16,376	1,975,178	--	7,650,077
--	--	--	--
27,128,563	1,975,178	--	7,650,077
47,786,581	--	--	6,810
--	--	--	--
24,980	--	4,602,504	5,685,076
1,001,524	--	--	--
48,813,085	--	4,602,504	5,691,886
$ 75,941,648	$ 1,975,178	$ 4,602,504	$ 13,341,963

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Clean Communities Account Fund	Clean Energy Fund	Clean Waters Fund
ASSETS			
Cash and cash equivalents	$ 618,194	$ 11,538,107	$ 24,329
Investments	2,773,681	113,473,642	129,137
Receivables, net of allowances for uncollectibles			
Departmental accounts	208,789	--	--
Loans	--	--	--
Other	--	6,323,185	--
Due from other funds	--	--	5,283
Other	--	--	--
Total Assets	$ 3,600,664	$ 131,334,934	$ 158,749
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 7,933	$ 7,169,898	$ --
Deferred revenue	--	--	--
Due to other funds	--	1,878,190	272,790
Other	--	--	--
Total Liabilities	7,933	9,048,088	272,790
Fund Balances			
Reserved for:			
Encumbrances	544	9,065,320	8,392
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	3,592,187	113,221,526	--
Undesignated	--	--	(122,433)
Total Fund Balances	3,592,731	122,286,846	(114,041)
Total Liabilities and Fund Balances	$ 3,600,664	$ 131,334,934	$ 158,749

Cultural Centers and Historic Preservation Fund	2003 Dam, Lake and Stream Project Revolving Loan Fund	2003 Dam, Lake, Stream and Flood Control Project Fund	1992 Dam Restoration and Clean Waters Trust Fund
$ 28,816	$ 178,436	$ 70,513	$ 1,547,886
1,690,387	770,725	702,461	5,814,033
--	--	--	--
--	1,937,564	--	9,222,058
--	--	--	35,140
--	23,888	12,637	--
--	--	--	--
$ 1,719,203	$ 2,910,613	$ 785,611	$ 16,619,117
$ 71,484	$ --	$ 17,582	$ --
--	--	--	--
5,519,280	3,039,613	1,530,098	--
--	--	--	--
5,590,764	3,039,613	1,547,680	--
2,065,487	24,958,461	9,114,903	1,736,918
--	1,937,564	--	9,222,058
--	--	--	3,576,582
(5,937,048)	(27,025,025)	(9,876,972)	2,083,559
(3,871,561)	(129,000)	(762,069)	16,619,117
$ 1,719,203	$ 2,910,613	$ 785,611	$ 16,619,117

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Dental State Employees Program Fund	1989 Development Potential Bank Transfer Fund	Developmental Disabilities Waiting List Reduction Fund
ASSETS			
Cash and cash equivalents	$ --	$ --	$ 132,581
Investments	14,342,525	6,639,420	17,221,328
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	--
Other	215,025	--	--
Due from other funds	1,126,652	--	--
Other	--	--	--
Total Assets	$ 15,684,202	$ 6,639,420	$ 17,353,909
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 1,630,523	$ 39,845	$ 141,500
Deferred revenue	915,975	--	--
Due to other funds	--	--	846,937
Other	--	--	--
Total Liabilities	2,546,498	39,845	988,437
Fund Balances			
Reserved for:			
Encumbrances	--	--	1,993,669
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	13,137,704	6,599,575	14,371,803
Undesignated	--	--	--
Total Fund Balances	13,137,704	6,599,575	16,365,472
Total Liabilities and Fund Balances	$ 15,684,202	$ 6,639,420	$ 17,353,909

Disciplinary Oversight Committee	Division of Motor Vehicles Surcharge Fund	Dredging and Containment Facility Fund	Drinking Water State Revolving Fund
$ 5,032,082	$ 54,850	$ 75,863	$ 388,713
--	3,900,868	30,429,001	54,612,057
--	1,895,054	--	--
--	--	--	116,908,854
19,294	--	--	--
--	--	--	334,688
--	--	--	--
$ 5,051,376	$ 5,850,772	$ 30,504,864	$ 172,244,312
$ 2,740,691	$ 5,518,997	$ --	$ 151,509
--	--	--	334,688
--	--	524,822	--
--	--	--	--
2,740,691	5,518,997	524,822	486,197
--	--	30,182,990	31,530,336
--	--	--	116,908,854
2,310,685	331,775	--	6,808,269
--	--	(202,948)	16,510,656
2,310,685	331,775	29,980,042	171,758,115
$ 5,051,376	$ 5,850,772	$ 30,504,864	$ 172,244,312

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	1996 Economic Development Site Fund	Emergency Flood Control Fund	Emergency Medical Technician Training Fund
ASSETS			
Cash and cash equivalents	$ 52,187	$ 12,787	$ 58,042
Investments	1,457,045	354,990	7,389,716
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	170,520
Loans	1,973,946	--	--
Other	--	--	--
Due from other funds	--	--	--
Other	--	--	--
Total Assets	$ 3,483,178	$ 367,777	$ 7,618,278
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ --	$ --	$ 313,964
Deferred revenue	--	--	--
Due to other funds	--	14,533	244,896
Other	--	--	--
Total Liabilities	--	14,533	558,860
Fund Balances			
Reserved for:			
Encumbrances	--	--	486,217
Other	1,973,946	--	--
Unreserved:			
Designated-continuing appropriations	1,509,232	353,244	6,573,201
Undesignated	--	--	--
Total Fund Balances	3,483,178	353,244	7,059,418
Total Liabilities and Fund Balances	$ 3,483,178	$ 367,777	$ 7,618,278

Emergency Services Fund	Enterprise Zone Assistance Fund	1996 Environmental Cleanup Fund	1989 Farmland Preservation Fund	1992 Farmland Preservation Fund
$ 15,395	$ 620,776	$ 5,449	$ 2,578	$ 2,199
12,441,057	258,631,984	3,981,789	152,945	834,898
--	2,600,071	--	--	--
10,000	--	--	--	--
--	--	--	--	--
21,828	--	--	--	--
--	--	--	--	--
$ 12,488,280	$ 261,852,831	$ 3,987,238	$ 155,523	$ 837,097
$ 4,443	$ 58,633	$ --	$ --	$ --
--	--	--	--	--
--	12,503,225	--	--	--
--	--	--	--	--
4,443	12,561,858	--	--	--
2,347,966	118,393,663	10,728,313	--	--
10,000	--	--	--	--
9,428,288	130,897,310	--	155,523	837,097
697,583	--	(6,741,075)	--	--
12,483,837	249,290,973	3,987,238	155,523	837,097
$ 12,488,280	$ 261,852,831	$ 3,987,238	$ 155,523	$ 837,097

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	1995 Farmland Preservation Fund	Fund for Support of Free Public Schools	Garden State Farmland Preservation Trust Fund
ASSETS			
Cash and cash equivalents	$ --	$ 9,014	$ 318,281
Investments	7,469,810	111,150,655	357,145,931
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
Due from other funds	--	8,305,308	--
Other	--	--	--
Total Assets	$ 7,469,810	$ 119,464,977	$ 357,464,212
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 11,385	$ --	$ 348,555
Deferred revenue	--	--	--
Due to other funds	700,000	4,098,584	1,677,584
Other	--	--	--
Total Liabilities	711,385	4,098,584	2,026,139
Fund Balances			
Reserved for:			
Encumbrances	3,363	--	249,310
Other	--	103,251,216	--
Unreserved:			
Designated-continuing appropriations	6,755,062	--	334,573,923
Undesignated	--	12,115,177	20,614,840
Total Fund Balances	6,758,425	115,366,393	355,438,073
Total Liabilities and Fund Balances	$ 7,469,810	$ 119,464,977	$ 357,464,212

Garden State Green Acres Preservation Trust Fund	Garden State Historic Preservation Trust Fund	Green Trust Fund	Hazardous Discharge Fund of 1981	Hazardous Discharge Fund of 1986
$ --	$ 120,868	$ 1,266,199	$ 710	$ 542,520
479,730,093	24,205,649	14,996,119	187,932	16,599,340
--	--	--	--	--
30,251,871	--	63,036,156	--	--
109,040	--	258,566	--	--
--	--	5,319,532	--	1,053,794
--	--	--	--	--
$ 510,091,004	$ 24,326,517	$ 84,876,572	$ 188,642	$ 18,195,654
$ 2,264,693	$ 1,437,506	$ --	$ --	$ 1,512,772
--	--	--	--	--
4,783,031	496,965	--	7,693	--
--	--	--	--	--
7,047,724	1,934,471	--	7,693	1,512,772
245,194,052	14,785,265	13,998,530	--	27,709,791
30,251,871	--	63,036,156	--	--
227,597,357	--	--	180,949	--
--	7,606,781	7,841,886	--	(11,026,909)
503,043,280	22,392,046	84,876,572	180,949	16,682,882
$ 510,091,004	$ 24,326,517	$ 84,876,572	$ 188,642	$ 18,195,654

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Hazardous Discharge Site Cleanup Fund	Health Benefits State Employees Program Fund	Health Care Subsidy Fund
ASSETS			
Cash and cash equivalents	$ 1,850,603	$ --	$ 363,731
Investments	89,361,658	154,589,166	46,487,310
Receivables, net of allowances for uncollectibles			
Departmental accounts	12,237	--	116,175,334
Loans	--	--	--
Other	8,302,494	624,224	--
Due from other funds	15,681,888	5,729,035	70,863,209
Other	--	--	--
Total Assets	$ 115,208,880	$ 160,942,425	$ 233,889,584
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 982,850	$ 48,151,795	$ --
Deferred revenue	--	--	--
Due to other funds	22,324,492	348,560	226,556,565
Other	--	--	288,344
Total Liabilities	23,307,342	48,500,355	226,844,909
Fund Balances			
Reserved for:			
Encumbrances	25,409,884	--	--
Other	8,302,494	--	--
Unreserved:			
Designated-continuing appropriations	58,189,160	112,442,070	7,044,675
Undesignated	--	--	--
Total Fund Balances	91,901,538	112,442,070	7,044,675
Total Liabilities and Fund Balances	$ 115,208,880	$ 160,942,425	$ 233,889,584

Higher Education Facility Renovation and Rehabilitation Fund	1992 Historic Preservation Fund	1995 Historic Preservation Fund	Historic Preservation Revolving Loan Fund	Horse Racing Injury Compensation Fund
$ 6,532	$ 30,466	$ 27,880	$ 317,317	$ 655,957
912,690	57,076	452,701	3,665,569	4,303,374
--	--	--	--	--
--	--	--	166,307	--
--	--	--	3,246	--
--	--	--	--	--
--	--	--	--	--
$ 919,222	$ 87,542	$ 480,581	$ 4,152,439	$ 4,959,331
$ --	$ --	$ 8,436	$ --	$ --
--	--	--	--	--
--	131,229	1,019,209	--	--
--	--	--	--	--
--	131,229	1,027,645	--	--
862,000	2,681,089	1,272,086	--	--
--	--	--	166,307	--
--	--	--	3,342,863	4,959,331
57,222	(2,724,776)	(1,819,150)	643,269	--
919,222	(43,687)	(547,064)	4,152,439	4,959,331
$ 919,222	$ 87,542	$ 480,581	$ 4,152,439	$ 4,959,331

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Housing Assistance Fund	Jobs, Education and Competitiveness Fund	Jobs, Science and Technology Fund
ASSETS			
Cash and cash equivalents	$ 313,412	$ 15,782	$ 693
Investments	4,339,784	6,287,002	24,419
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	2,438,944	--	--
Other	65,963	--	--
Due from other funds	--	--	--
Other	--	--	--
Total Assets	$ 7,158,103	$ 6,302,784	$ 25,112
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ --	$ --	$ --
Deferred revenue	--	--	--
Due to other funds	219,799	257,628	1,002
Other	--	--	--
Total Liabilities	219,799	257,628	1,002
Fund Balances			
Reserved for:			
Encumbrances	--	5,193,264	--
Other	2,438,944	--	--
Unreserved:			
Designated-continuing appropriations	4,301,937	851,892	24,110
Undesignated	197,423	--	--
Total Fund Balances	6,938,304	6,045,156	24,110
Total Liabilities and Fund Balances	$ 7,158,103	$ 6,302,784	$ 25,112

Korean Veterans' Memorial Fund	1996 Lake Restoration Fund	Lead Hazard Contol Assistance Fund	Luxury Tax Fund	Medical Malpractice Liability Insurance Premium Assistance Fund
$ 7,132	$ 39,174	$ 88,639	$ 6,450	$ 2,241,153
108	1,430,590	11,266,669	83,875	22,393,404
--	--	--	5,115,859	--
--	1,044,280	--	--	--
--	2,670	--	--	1,575
--	--	--	--	14,100
--	--	--	--	--
$ 7,240	$ 2,516,714	$ 11,355,308	$ 5,206,184	$ 24,650,232
$ --	$ --	$ 7,393	$ 5,118,883	$ 10,873
--	--	--	--	--
--	--	472,401	--	6,578,591
--	--	--	--	--
--	--	479,794	5,118,883	6,589,464
--	121,389	282,562	--	2,460
--	1,044,280	--	--	--
--	1,351,045	10,592,952	87,301	18,058,308
7,240	--	--	--	--
7,240	2,516,714	10,875,514	87,301	18,060,768
$ 7,240	$ 2,516,714	$ 11,355,308	$ 5,206,184	$ 24,650,232

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Mortgage Assistance Fund	Municipal Landfill Closure and Remediation Fund	Natural Resources Fund
ASSETS			
Cash and cash equivalents	$ 3,144	$ 68,135	$ 703,766
Investments	3,098,877	--	2,932,814
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	10,849,609	--	7,541
Other	621,641	--	226
Due from other funds	--	--	--
Other	--	--	--
Total Assets	$ 14,573,271	$ 68,135	$ 3,644,347
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ --	$ --	$ --
Deferred revenue	--	--	--
Due to other funds	746,986	--	141,963
Other	--	--	--
Total Liabilities	746,986	--	141,963
Fund Balances			
Reserved for:			
Encumbrances	--	--	1,345,735
Other	10,849,609	--	7,541
Unreserved:			
Designated-continuing appropriations	1,309,180	68,135	2,149,108
Undesignated	1,667,496	--	--
Total Fund Balances	13,826,285	68,135	3,502,384
Total Liabilities and Fund Balances	$ 14,573,271	$ 68,135	$ 3,644,347

New Home Warranty Security Fund	New Jersey Building Authority	1995 New Jersey Coastal Blue Acres Trust Fund	New Jersey Cultural Trust Fund	1983 New Jersey Green Acres Fund
$ 1,677,837	$ --	$ 194,363	$ 534,923	$ 1,099
27,539,462	56,113,580	2,334,138	21,721,683	20,484,052
--	--	--	--	--
--	--	930,783	--	--
--	--	5,596	75,733	--
--	--	--	--	--
--	10,825	--	--	--
$ 29,217,299	$ 56,124,405	$ 3,464,880	$ 22,332,339	$ 20,485,151
$ --	$ 6,650,311	$ --	$ 18,181	$ --
--	--	--	--	--
4,522,601	--	--	--	839,206
--	1,557,440	--	--	--
4,522,601	8,207,751	--	18,181	839,206
--	--	74,366	179,642	6,230
--	--	930,783	--	--
24,694,698	47,916,654	2,459,731	22,134,516	--
--	--	--	--	19,639,715
24,694,698	47,916,654	3,464,880	22,314,158	19,645,945
$ 29,217,299	$ 56,124,405	$ 3,464,880	$ 22,332,339	$ 20,485,151

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	1989 New Jersey Green Acres Fund	1992 New Jersey Green Acres Fund	1995 New Jersey Green Acres Fund
ASSETS			
Cash and cash equivalents	$ 212,635	$ 642,488	$ 250,658
Investments	5,369,838	730,215	3,766,043
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
Due from other funds	--	--	--
Other	--	--	--
Total Assets	$ 5,582,473	$ 1,372,703	$ 4,016,701
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ --	$ 25,583	$ 16,739
Deferred revenue	--	--	--
Due to other funds	--	--	--
Other	--	--	--
Total Liabilities	--	25,583	16,739
Fund Balances			
Reserved for:			
Encumbrances	2,214,074	65,137	1,756,501
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	1,030,854	243,532	349,616
Undesignated	2,337,545	1,038,451	1,893,845
Total Fund Balances	5,582,473	1,347,120	3,999,962
Total Liabilities and Fund Balances	$ 5,582,473	$ 1,372,703	$ 4,016,701

1989 New Jersey Green Trust Fund	1992 New Jersey Green Trust Fund	1995 New Jersey Green Trust Fund	1995 New Jersey Inland Blue Acres Fund	New Jersey Insolvent Health Maintenance Organization Assistance Fund
$ 448,395	$ 202,060	$ 321,149	$ 24,316	$ 1,434
39,797,054	21,487,305	26,236,966	955,677	8,696,437
--	--	--	--	9,907,880
56,044,374	31,808,196	48,687,482	--	--
265,378	154,143	245,153	--	--
--	--	--	--	24,187
--	--	--	--	--
$ 96,555,201	$ 53,651,704	$ 75,490,750	$ 979,993	$ 18,629,938
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
12,408,491	12,827,164	7,464,764	162,000	--
56,044,374	31,808,196	48,687,482	--	--
18,481,759	9,016,344	19,338,504	178,365	18,629,938
9,620,577	--	--	639,628	--
96,555,201	53,651,704	75,490,750	979,993	18,629,938
$ 96,555,201	$ 53,651,704	$ 75,490,750	$ 979,993	$ 18,629,938

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	New Jersey Lawyers' Assistance Program	New Jersey Lawyers' Fund for Client Protection	New Jersey Local Development Financing Fund
ASSETS			
Cash and cash equivalents	$ 1,795	$ 1,327,499	$ --
Investments	485,250	13,215,328	19,681,134
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	28,692,290
Other	--	112,068	58,419
Due from other funds	--	--	--
Other	--	11,000	--
Total Assets	$ 487,045	$ 14,665,895	$ 48,431,843
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 117,115	$ 298,816	$ 13,378
Deferred revenue	--	--	--
Due to other funds	--	--	--
Other	--	--	--
Total Liabilities	117,115	298,816	13,378
Fund Balances			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	28,692,290
Unreserved:			
Designated-continuing appropriations	369,930	14,367,079	19,726,175
Undesignated	--	--	--
Total Fund Balances	369,930	14,367,079	48,418,465
Total Liabilities and Fund Balances	$ 487,045	$ 14,665,895	$ 48,431,843

New Jersey Racing Industry Special Fund	New Jersey Schools Construction Corporation	New Jersey Spill Compensation Fund	New Jersey Spinal Cord Research Fund	New Jersey Transportation Trust Fund Authority
$ 766,685	$ 160,632	$ 548,934	$ 9,039	$ 1,105,277
51,529	1,366,144,407	42,566,631	13,124,074	1,313,795,185
--	--	--	--	--
--	--	--	--	--
--	732,566	7,198,096	--	--
--	--	--	3,390,095	32,500,000
--	--	--	--	--
$ 818,214	$ 1,367,037,605	$ 50,313,661	$ 16,523,208	$ 1,347,400,462
$ --	$ 197,833,347	$ 151,933	$ 534,116	$ 462,081
--	--	--	--	--
--	--	37,199,593	475,870	215,382,817
--	84,784,669	--	--	--
--	282,618,016	37,351,526	1,009,986	215,844,898
--	--	2,726,864	7,131,403	--
--	3,718,370	7,173,082	--	42,553,149
818,214	1,080,701,219	--	8,381,819	--
--	--	3,062,189	--	1,089,002,415
818,214	1,084,419,589	12,962,135	15,513,222	1,131,555,564
$ 818,214	$ 1,367,037,605	$ 50,313,661	$ 16,523,208	$ 1,347,400,462

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	New Jersey Workforce Development Partnership Fund	Petroleum Overcharge Reimbursement Fund	Pinelands Infrastructure Trust Fund
ASSETS			
Cash and cash equivalents	$ --	$ 201,146	$ 1,809,151
Investments	100,594,358	4,037,703	4,503,680
Receivables, net of allowances for uncollectibles			
Departmental accounts	27,378,112	--	--
Loans	--	5,000,000	3,661,510
Other	--	--	53,332
Due from other funds	3,285,938	--	--
Other	--	--	--
Total Assets	$ 131,258,408	$ 9,238,849	$ 10,027,673
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 4,532,434	$ 172,988	$ --
Deferred revenue	--	893,588	--
Due to other funds	47,108,462	--	--
Other	16,773	--	--
Total Liabilities	51,657,669	1,066,576	--
Fund Balances			
Reserved for:			
Encumbrances	56,031,155	877,296	72,320
Other	--	5,000,000	3,661,510
Unreserved:			
Designated-continuing appropriations	23,569,584	2,205,962	1,242,327
Undesignated	--	89,015	5,051,516
Total Fund Balances	79,600,739	8,172,273	10,027,673
Total Liabilities and Fund Balances	$ 131,258,408	$ 9,238,849	$ 10,027,673

Pollution Prevention Fund	Prescription Drug State Employees Program Fund	Real Estate Guaranty Fund	Resource Recovery and Solid Waste Disposal Facility Fund	Retail Margin Fund
$ 344,325	$ 164,872	$ 406,151	$ 33,533	$ --
851,860	75,041,725	1,075,884	563,748	--
1,752,099	--	--	--	--
--	--	--	--	--
--	32,269	--	--	62,400,550
21,901	--	137,194	--	--
--	--	--	--	--
$ 2,970,185	$ 75,238,866	$ 1,619,229	$ 597,281	$ 62,400,550
$ --	$ 4,700,000	$ --	$ --	$ --
--	--	--	--	--
1,570,402	148,799	--	--	--
--	--	--	--	--
1,570,402	4,848,799	--	--	--
--	--	--	--	--
--	--	--	--	--
1,399,783	70,390,067	1,619,229	493,795	62,400,550
--	--	--	103,486	--
1,399,783	70,390,067	1,619,229	597,281	62,400,550
$ 2,970,185	$ 75,238,866	$ 1,619,229	$ 597,281	$ 62,400,550

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Safe Drinking Water Fund	Sanitary Landfill Facility Contingency Fund	Shore Protection Fund
ASSETS			
Cash and cash equivalents	$ 1,479,661	$ 1,807,357	$ 868,638
Investments	1,146,287	14,234,854	10,269,445
Receivables, net of allowances for uncollectibles			
Departmental accounts	78,447	--	--
Loans	--	--	217,641
Other	--	166,585	68,097
Due from other funds	--	--	--
Other	--	--	85,688
Total Assets	$ 2,704,395	$ 16,208,796	$ 11,509,509
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ --	$ 22,336	$ --
Deferred revenue	--	--	--
Due to other funds	2,485,782	--	423,295
Other	--	--	--
Total Liabilities	2,485,782	22,336	423,295
Fund Balances			
Reserved for:			
Encumbrances	142,556	1,263,952	1,138,605
Other	--	--	217,641
Unreserved:			
Designated-continuing appropriations	76,057	14,922,508	1,252,763
Undesignated	--	--	8,477,205
Total Fund Balances	218,613	16,186,460	11,086,214
Total Liabilities and Fund Balances	$ 2,704,395	$ 16,208,796	$ 11,509,509

State Disability Benefit Fund	State Land Acquisition and Development Fund	State Recreation and Conservation Land Acquisition and Development Fund	State Recycling Fund	Stormwater Mangement and Combined Sewer Overflow Abatement Fund
$ 8,038	$ 6,310	$ 589	$ 340,038	$ 11,108
60,134,208	389,242	477,482	4,984,660	609,202
193,513,781	--	--	68,577	--
--	--	--	812,515	--
745,402	--	--	--	--
23,699,157	--	--	--	--
--	--	--	--	--
$ 278,100,586	$ 395,552	$ 478,071	$ 6,205,790	$ 620,310
$ 41,179,016	$ --	$ --	$ 900	$ --
--	--	--	--	--
28,564,240	514,297	29,429	--	--
391,407	--	--	--	--
70,134,663	514,297	29,429	900	--
--	535,816	42,725	35,810	6,999,137
--	--	--	812,515	--
207,965,923	--	405,917	1,483,346	--
--	(654,561)	--	3,873,219	(6,378,827)
207,965,923	(118,745)	448,642	6,204,890	620,310
$ 278,100,586	$ 395,552	$ 478,071	$ 6,205,790	$ 620,310

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Superior Court of New Jersey Trust Fund	Supplemental Workforce Fund for Basic Skills	Tobacco Settlement Financing Corporation, Inc.
ASSETS			
Cash and cash equivalents	$ 1,545,493	$ --	$ 78,736,000
Investments	328,213,077	26,212,790	288,461,000
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	7,216,374	--
Loans	--	--	--
Other	3,578	--	126,769,000
Due from other funds	--	496,574	--
Other	--	--	--
Total Assets	$ 329,762,148	$ 33,925,738	$ 493,966,000
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 328,314,242	$ 1,354,705	$ 86,000
Deferred revenue	--	--	126,483,000
Due to other funds	--	1,533,497	--
Other	--	--	--
Total Liabilities	328,314,242	2,888,202	126,569,000
Fund Balances			
Reserved for:			
Encumbrances	--	13,254,904	--
Other	--	--	367,397,000
Unreserved:			
Designated-continuing appropriations	1,447,906	17,782,632	--
Undesignated	--	--	--
Total Fund Balances	1,447,906	31,037,536	367,397,000
Total Liabilities and Fund Balances	$ 329,762,148	$ 33,925,738	$ 493,966,000

Tobacco Settlement Fund	Tourism Improvement and Development Fund	Trial Attorney Certification Program	Unclaimed Child Support Trust Fund	Unclaimed Utility Deposits Trust Fund
$ 16,977	$ 127,704	$ 2,190	$ 401,222	$ 62,796
6,064,494	31,554	170,447	2,032,382	4,621,482
--	941,510	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	361,998
--	--	--	--	--
$ 6,081,471	$ 1,100,768	$ 172,637	$ 2,433,604	$ 5,046,276
$ --	$ 1,028,328	$ 81,960	$ --	$ --
--	--	--	--	--
--	71,000	--	--	191,482
--	--	--	--	--
--	1,099,328	81,960	--	191,482
--	--	--	--	--
--	--	--	--	--
5,600,000	--	90,677	2,433,604	4,854,794
481,471	1,440	--	--	--
6,081,471	1,440	90,677	2,433,604	4,854,794
$ 6,081,471	$ 1,100,768	$ 172,637	$ 2,433,604	$ 5,046,276

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Unemployment Compensation Auxiliary Fund	Universal Services Fund	University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund
ASSETS			
Cash and cash equivalents	$ 154	$ 7,493,196	$ --
Investments	25,945,348	61,832,242	2,166,870
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	2,070,000
Loans	--	--	--
Other	6,017,000	8,872,709	--
Due from other funds	506,724	--	1,322,351
Other	--	--	--
Total Assets	$ 32,469,226	$ 78,198,147	$ 5,559,221
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 6,900	$ --	$ 5,559,221
Deferred revenue	--	--	--
Due to other funds	17,578,725	75,711,861	--
Other	81,655	--	--
Total Liabilities	17,667,280	75,711,861	5,559,221
Fund Balances			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	14,801,946	2,486,286	--
Undesignated	--	--	--
Total Fund Balances	14,801,946	2,486,286	--
Total Liabilities and Fund Balances	$ 32,469,226	$ 78,198,147	$ 5,559,221

Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund	Vietnam Veterans' Memorial Fund	Volunteer Emergency Service Organizations Loan Fund	Wastewater Treatment Fund	1992 Wastewater Treatment Fund
$ 401,422	$ 71,577	$ 546,644	$ 1,536,411	$ 406,972
7,967,634	283	1,176,533	409,459,653	11,886,195
--	--	2,648	--	--
12,572,304	--	1,397,248	551,040,899	17,710,304
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
$ 20,941,360	$ 71,860	$ 3,123,073	$ 962,036,963	$ 30,003,471
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
5,728,546	--	--	77,068,109	1,406,388
12,572,304	--	1,397,248	551,040,899	17,710,304
306,540	71,860	1,725,825	267,568,973	10,886,779
2,333,970	--	--	66,358,982	--
20,941,360	71,860	3,123,073	962,036,963	30,003,471
$ 20,941,360	$ 71,860	$ 3,123,073	$ 962,036,963	$ 30,003,471

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

	Water Conservation Fund	2003 Water Resources and Wastewater Treatment Fund	2003 Water Resources and Wastewater Treatment Trust Fund
ASSETS			
Cash and cash equivalents	$ 59,733	$ 49,076	$ --
Investments	743,273	347,421	--
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	27,182	4,649,992	--
Other	570	--	--
Due from other funds	--	116,227	150,489
Other	--	--	--
Total Assets	$ 830,758	$ 5,162,716	$ 150,489
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ --	$ --	$ --
Deferred revenue	--	--	--
Due to other funds	38,162	5,158,648	5,150,489
Other	--	--	--
Total Liabilities	38,162	5,158,648	5,150,489
Fund Balances			
Reserved for:			
Encumbrances	--	6,358,771	--
Other	27,182	4,649,992	--
Unreserved:			
Designated-continuing appropriations	6,750	--	--
Undesignated	758,664	(11,004,695)	(5,000,000)
Total Fund Balances	792,596	4,068	(5,000,000)
Total Liabilities and Fund Balances	$ 830,758	$ 5,162,716	$ 150,489

Water Supply Fund	Water Supply Replacement Trust Fund	Worker and Community Right to Know Fund	Workers' Compensation Security Fund	Total Non-Major Special Revenue Funds
$ 243,832	$ 951	$ 276,279	$ 2,491,719	$ 155,128,680
116,458,717	66,364	1,375,579	15,481,619	6,524,394,554
--	--	4,322,157	--	436,491,948
65,450,416	--	--	--	1,067,872,670
187,522	--	--	--	230,746,055
--	--	49,528	--	213,568,105
--	--	--	--	107,513
$ 182,340,487	$ 67,315	$ 6,023,543	$ 17,973,338	$ 8,628,309,525
$ 525,386	$ --	$ --	$ --	$ 712,472,186
--	--	--	--	135,814,751
4,108,305	--	3,254,672	24,187	765,370,892
--	--	--	--	87,120,288
4,633,691	--	3,254,672	24,187	1,700,778,117
6,037,355	54,563	--	--	859,540,689
65,450,416	--	--	--	1,600,267,981
106,219,025	12,752	2,768,871	17,949,151	3,272,074,026
--	--	--	--	1,195,648,712
177,706,796	67,315	2,768,871	17,949,151	6,927,531,408
$ 182,340,487	$ 67,315	$ 6,023,543	$ 17,973,338	$ 8,628,309,525

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Alcohol Education, Rehabilitation and Enforcement Fund	Atlantic City Parking Fees Fund	Atlantic City Projects-Room Fund
REVENUES			
Taxes	$ 11,000,000	$ 18,077,080	$ 5,633,619
Federal and other grants	--	--	--
Licenses and fees	2,010,620	--	--
Services and assessments	--	--	--
Investment earnings	270,460	2,397	831
Contributions	--	--	--
Other	--	--	--
Total Revenues	13,281,080	18,079,477	5,634,450
EXPENDITURES			
Current:			
Public safety and criminal justice	1,663,081	--	--
Physical and mental health	8,689,463	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	17,885,469	5,633,619
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	10,352,544	17,885,469	5,633,619
Excess (deficiency) of revenues over expenditures	2,928,536	194,008	831
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(1,694,083)	--	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(1,694,083)	--	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,234,453	194,008	831
Fund balances - July 1, 2005	6,383,961	71,315	--
Fund balances - June 30, 2006	$ 7,618,414	$ 265,323	$ 831

Atlantic City Tourism Promotion Fund	Beaches and Harbor Fund	Board of Bar Examiners	Boarding House Rental Assistance Fund
$ 7,184,941	$ --	$ --	$ --
--	--	--	--
--	--	2,670,404	--
--	--	--	--
10,748	50,812	201,054	6,089
--	--	--	--
--	--	58,760	--
7,195,689	50,812	2,930,218	6,089
--	--	2,693,822	--
--	--	--	--
--	--	--	--
--	--	--	--
6,660,942	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
6,660,942	--	2,693,822	--
534,747	50,812	236,396	6,089
--	--	--	--
--	--	--	--
--	(22,553)	--	--
--	--	--	--
--	--	--	--
--	(22,553)	--	--
534,747	28,259	236,396	6,089
757,982	1,352,353	4,671,436	183,917
$ 1,292,729	$ 1,380,612	$ 4,907,832	$ 190,006

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Body Armor Replacement Fund	Capital City Redevelopment Loan and Grant Fund	Casino Control Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	67,649,487
Services and assessments	--	--	--
Investment earnings	198,897	15,240	400,263
Contributions	--	--	--
Other	4,222,759	1,276	--
Total Revenues	4,421,656	16,516	68,049,750
EXPENDITURES			
Current:			
Public safety and criminal justice	3,099,970	--	42,800,990
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	393,311	624	29,225,449
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	3,493,281	624	72,026,439
Excess (deficiency) of revenues over expenditures	928,375	15,892	(3,976,689)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(75,000)	(83,062)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(75,000)	(83,062)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	853,375	(67,170)	(3,976,689)
Fund balances - July 1, 2005	6,299,016	1,716,330	4,052,610
Fund balances - June 30, 2006	$ 7,152,391	$ 1,649,160	$ 75,921

	Casino Revenue Fund	Casino Simulcasting Fund	Casino Simulcasting Special Fund	Catastrophic Illness in Children Relief Fund	Clean Communities Account Fund
$	500,204,635	$ --	$ --	$ --	$ 16,069,457
	--	--	--	--	--
	--	--	--	--	--
	--	--	--	7,249,520	--
	1,396,924	19,173	221,202	225,571	215,248
	--	--	--	--	--
	165,627,643	562,446	5,641,854	58,234	--
	667,229,202	581,619	5,863,056	7,533,325	16,284,705
	--	--	5,704,040	--	--
	598,673,778	--	--	35,073	--
	32,424,054	--	--	--	--
	--	--	--	--	11,130,692
	2,440,000	--	--	--	--
	27,973,580	--	--	--	--
	--	--	--	--	--
	92,000	--	--	--	--
	--	--	--	--	--
	--	--	--	--	--
	661,603,412	--	5,704,040	35,073	11,130,692
	5,625,790	581,619	159,016	7,498,252	5,154,013
	--	--	--	--	--
	675,178	--	--	--	--
	--	(675,178)	--	(7,650,077)	(3,873,219)
	--	--	--	--	--
	--	--	--	--	--
	675,178	(675,178)	--	(7,650,077)	(3,873,219)
	6,300,968	(93,559)	159,016	(151,825)	1,280,794
	42,512,117	93,559	4,443,488	5,843,711	2,311,937
$	48,813,085	$ --	$ 4,602,504	$ 5,691,886	$ 3,592,731

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Clean Energy Fund	Clean Waters Fund	Cultural Centers and Historic Preservation Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	154,860,944	--	--
Investment earnings	5,052,176	5,481	80,399
Contributions	--	--	--
Other	--	13,639	--
Total Revenues	159,913,120	19,120	80,399
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	160,095,172	--	753,353
Transportation programs	--	--	--
Government direction, management, and control	--	10,764	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	160,095,172	10,764	753,353
Excess (deficiency) of revenues over expenditures	(182,052)	8,356	(672,954)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	5,283	--
Transfers to other funds	(1,878,190)	--	(199,747)
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(1,878,190)	5,283	(199,747)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,060,242)	13,639	(872,701)
Fund balances - July 1, 2005	124,347,088	(127,680)	(2,998,860)
Fund balances - June 30, 2006	$ 122,286,846	$ (114,041)	$ (3,871,561)

2003 Dam, Lake and Stream Project Revolving Loan Fund	2003 Dam, Lake, Stream and Flood Control Project Fund	1992 Dam Restoration and Clean Waters Trust Fund	Dental State Employees Program Fund	1989 Development Potential Bank Transfer Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
15,725	17,461	236,557	558,126	272,842
--	--	--	78,235,312	--
--	--	172,166	--	--
15,725	17,461	408,723	78,793,438	272,842
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
129,000	762,069	--	--	140,000
--	--	--	--	--
--	--	--	--	--
39,613	30,098	--	74,574,011	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
168,613	792,167	--	74,574,011	140,000
(152,888)	(774,706)	408,723	4,219,427	132,842
--	--	--	--	--
23,888	12,637	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
23,888	12,637	--	--	--
(129,000)	(762,069)	408,723	4,219,427	132,842
--	--	16,210,394	8,918,277	6,466,733
$ (129,000)	$ (762,069)	$ 16,619,117	$ 13,137,704	$ 6,599,575

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Developmental Disabilities Waiting List Reduction Fund	Disciplinary Oversight Committee	Division of Motor Vehicles Surcharge Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	9,067,494	--
Services and assessments	--	--	131,351,902
Investment earnings	846,937	183,747	334,256
Contributions	--	--	--
Other	--	170,906	--
Total Revenues	846,937	9,422,147	131,686,158
EXPENDITURES			
Current:			
Public safety and criminal justice	40,272	8,945,644	1,529,107
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	5,703,939	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	130,051,359
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	5,744,211	8,945,644	131,580,466
Excess (deficiency) of revenues over expenditures	(4,897,274)	476,503	105,692
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(846,937)	--	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(846,937)	--	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(5,744,211)	476,503	105,692
Fund balances - July 1, 2005	22,109,683	1,834,182	226,083
Fund balances - June 30, 2006	$ 16,365,472	$ 2,310,685	$ 331,775

Dredging and Containment Facility Fund	Drinking Water State Revolving Fund	1996 Economic Development Site Fund	Emergency Flood Control Fund	Emergency Medical Technician Training Fund
$ --	$ --	$ --	$ --	$ --
--	14,106,909	--	--	--
--	--	--	--	--
--	--	--	--	2,309,096
1,489,965	2,356,712	67,553	14,533	311,112
--	--	--	--	--
--	--	--	--	--
1,489,965	16,463,621	67,553	14,533	2,620,208
--	--	--	--	--
--	--	--	--	2,463,592
--	--	--	--	--
1,227,475	--	--	--	--
--	--	1,242,866	--	--
8,808,333	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
10,035,808	--	1,242,866	--	2,463,592
(8,545,843)	16,463,621	(1,175,313)	14,533	156,616
--	--	--	--	--
--	6,294,783	--	--	--
(524,822)	(3,078,892)	--	(14,533)	(244,897)
--	--	--	--	--
--	--	--	--	--
(524,822)	3,215,891	--	(14,533)	(244,897)
(9,070,665)	19,679,512	(1,175,313)	--	(88,281)
39,050,707	152,078,603	4,658,491	353,244	7,147,699
$ 29,980,042	$ 171,758,115	$ 3,483,178	$ 353,244	$ 7,059,418

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Emergency Services Fund	Enterprise Zone Assistance Fund	1996 Environmental Cleanup Fund
REVENUES			
Taxes	$ --	$ 81,830,780	$ --
Federal and other grants	--	--	--
Licenses and fees	--	35,500	--
Services and assessments	--	--	--
Investment earnings	526,721	10,160,041	165,635
Contributions	--	--	--
Other	--	--	--
Total Revenues	526,721	92,026,321	165,635
EXPENDITURES			
Current:			
Public safety and criminal justice	1,000,215	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	509,150	6,144,715	166,089
Economic planning, development, and security	--	50,502,583	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	1,509,365	56,647,298	166,089
Excess (deficiency) of revenues over expenditures	(982,644)	35,379,023	(454)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	--	(12,503,225)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	--	(12,503,225)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(982,644)	22,875,798	(454)
Fund balances - July 1, 2005	13,466,481	226,415,175	3,987,692
Fund balances - June 30, 2006	$ 12,483,837	$ 249,290,973	$ 3,987,238

1989 Farmland Preservation Fund	1992 Farmland Preservation Fund	1995 Farmland Preservation Fund	Fund for Support of Free Public Schools	Garden State Farmland Preservation Trust Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	13,976,497	--
--	--	--	--	--
6,221	61,124	331,982	4,372,475	12,355,352
--	--	--	--	--
--	--	--	--	2,750
6,221	61,124	331,982	18,348,972	12,358,102
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	1,092,717	1,131,647	--	86,685,873
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	1,092,717	1,131,647	--	86,685,873
6,221	(1,031,593)	(799,665)	18,348,972	(74,327,771)
--	--	--	--	--
--	--	--	--	268,860,291
--	--	(700,000)	(9,769,773)	(1,668,718)
--	--	--	--	--
--	--	--	--	--
--	--	(700,000)	(9,769,773)	267,191,573
6,221	(1,031,593)	(1,499,665)	8,579,199	192,863,802
149,302	1,868,690	8,258,090	106,787,194	162,574,271
$ 155,523	$ 837,097	$ 6,758,425	$ 115,366,393	$ 355,438,073

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Garden State Green Acres Preservation Trust Fund	Garden State Historic Preservation Trust Fund	Garden State Preservation Trust
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	7,945,715	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	15,094,017	853,653	--
Contributions	--	--	--
Other	807,282	--	--
Total Revenues	23,847,014	853,653	--
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	176,867,067	--	--
Economic planning, development, and security	--	5,581,755	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	44,226,312
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	176,867,067	5,581,755	44,226,312
Excess (deficiency) of revenues over expenditures	(153,020,053)	(4,728,102)	(44,226,312)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	650,000,000
Transfers from other funds	478,290,437	6,211,735	34,799,644
Transfers to other funds	(4,783,031)	(496,965)	(687,107,224)
Other sources	--	--	274,962,382
Other uses	--	--	(228,428,490)
Total other financing sources (uses)	473,507,406	5,714,770	44,226,312
Excess (deficiency) of revenues and other sources over expenditures and other uses	320,487,353	986,668	--
Fund balances - July 1, 2005	182,555,927	21,405,378	--
Fund balances - June 30, 2006	$ 503,043,280	$ 22,392,046	$ --

Green Trust Fund	Gubernatorial Elections Fund	Hazardous Discharge Fund of 1981	Hazardous Discharge Fund of 1986	Hazardous Discharge Site Cleanup Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	24,345,084
506,232	--	7,693	671,175	3,549,887
--	--	--	--	--
1,448,611	500,767	--	--	--
1,954,843	500,767	7,693	671,175	27,894,971
--	1,035,306	--	--	--
--	--	--	--	--
--	--	--	--	--
290,625	--	--	8,602,788	6,272,535
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
290,625	1,035,306	--	8,602,788	6,272,535
1,664,218	(534,539)	7,693	(7,931,613)	21,622,436
--	--	--	--	--
--	1,264,286	--	10,998,192	5,266,685
--	(729,747)	(7,693)	--	(23,932,755)
--	--	--	--	--
--	--	--	--	--
--	534,539	(7,693)	10,998,192	(18,666,070)
1,664,218	--	--	3,066,579	2,956,366
83,212,354	--	180,949	13,616,303	88,945,172
$ 84,876,572	$ --	$ 180,949	$ 16,682,882	$ 91,901,538

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Health Benefits State Employees Program Fund	Health Care Subsidy Fund	Higher Education Facility Renovation and Rehabilitation Fund
REVENUES			
Taxes	$ --	$ 520,157,168	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	120,267,246	--
Investment earnings	6,720,465	5,390,454	37,134
Contributions	313,949,629	--	--
Other	57,673	--	--
Total Revenues	320,727,767	645,814,868	37,134
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	2,000,200	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	1,118,289,339	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	1,118,289,339	2,000,200	--
Excess (deficiency) of revenues over expenditures	(797,561,572)	643,814,668	37,134
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	800,596,000	54,631,902	--
Transfers to other funds	--	(691,415,914)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	800,596,000	(636,784,012)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,034,428	7,030,656	37,134
Fund balances - July 1, 2005	109,407,642	14,019	882,088
Fund balances - June 30, 2006	$ 112,442,070	$ 7,044,675	$ 919,222

1992 Historic Preservation Fund	1995 Historic Preservation Fund	Historic Preservation Revolving Loan Fund	Horse Racing Injury Compensation Fund	Housing Assistance Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	1,133,922	--
1,601	19,815	149,142	175,093	176,575
--	--	--	--	--
--	--	12,948	--	65,962
1,601	19,815	162,090	1,309,015	242,537
--	--	--	853,742	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
85,597	990,394	--	--	--
--	--	--	--	--
1,229	19,209	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
86,826	1,009,603	--	853,742	--
(85,225)	(989,788)	162,090	455,273	242,537
--	--	--	--	--
--	--	--	--	--
--	--	--	--	(219,799)
--	--	--	--	--
--	--	--	--	--
--	--	--	--	(219,799)
(85,225)	(989,788)	162,090	455,273	22,738
41,538	442,724	3,990,349	4,504,058	6,915,566
$ (43,687)	$ (547,064)	$ 4,152,439	$ 4,959,331	$ 6,938,304

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Jobs, Education and Competitiveness Fund	Jobs, Science and Technology Fund	Korean Veterans' Memorial Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	257,628	1,002	103
Contributions	--	--	8,154
Other	--	--	--
Total Revenues	257,628	1,002	8,257
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	--	--	--
Excess (deficiency) of revenues over expenditures	257,628	1,002	8,257
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	--	999,287
Transfers to other funds	(257,628)	(1,002)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(257,628)	(1,002)	999,287
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	--	1,007,544
Fund balances - July 1, 2005	6,045,156	24,110	(1,000,304)
Fund balances - June 30, 2006	$ 6,045,156	$ 24,110	$ 7,240

1996 Lake Restoration Fund	Lead Hazard Contol Assistance Fund	Legal Services Fund	Luxury Tax Fund	Medical Malpractice Liability Insurance Premium Assistance Fund
$ --	$ --	$ --	$ 26,949,448	$ --
--	--	--	--	--
--	127,314	10,077,150	--	2,091,421
--	--	--	--	20,853,325
58,206	80,560	--	3,412	1,145,510
--	--	--	--	--
9,251	--	--	--	--
67,457	207,874	10,077,150	26,952,860	24,090,256
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
13,686	--	--	--	--
--	804,039	--	--	14,289,255
--	--	--	--	--
--	--	--	28,739,384	--
--	--	--	--	91,814
--	--	--	--	--
--	--	--	--	--
13,686	804,039	--	28,739,384	14,381,069
53,771	(596,165)	10,077,150	(1,786,524)	9,709,187
--	--	--	--	--
--	10,000,000	--	--	--
--	(458,430)	(10,077,150)	--	(7,120,753)
--	--	--	--	--
--	--	--	--	--
--	9,541,570	(10,077,150)	--	(7,120,753)
53,771	8,945,405	--	(1,786,524)	2,588,434
2,462,943	1,930,109	--	1,873,825	15,472,334
$ 2,516,714	$ 10,875,514	$ --	$ 87,301	$ 18,060,768

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Mortgage Assistance Fund	Municipal Landfill Closure and Remediation Fund	Natural Resources Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	125,345	--	141,963
Contributions	--	--	--
Other	621,641	1,568,852	--
Total Revenues	746,986	1,568,852	141,963
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	1,561,704	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	--	1,561,704	--
Excess (deficiency) of revenues over expenditures	746,986	7,148	141,963
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(746,986)	--	(141,963)
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(746,986)	--	(141,963)
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	7,148	--
Fund balances - July 1, 2005	13,826,285	60,987	3,502,384
Fund balances - June 30, 2006	$ 13,826,285	$ 68,135	$ 3,502,384

New Home Warranty Security Fund	New Jersey Building Authority	1995 New Jersey Coastal Blue Acres Trust Fund	New Jersey Cultural Trust Fund	1983 New Jersey Green Acres Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
1,069,843	--	--	--	--
8,274,249	--	--	--	--
1,405,303	1,638,936	94,970	824,570	839,206
--	--	--	--	--
275,850	--	17,911	--	--
11,025,245	1,638,936	112,881	824,570	839,206
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,444,319	--	--	--	44,128
--	--	--	--	--
--	--	--	--	--
--	70,148,628	--	683,264	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,444,319	70,148,628	--	683,264	44,128
9,580,926	(68,509,692)	112,881	141,306	795,078
--	--	--	--	--
--	17,794,034	--	720,000	--
(24,522,601)	--	--	--	(839,206)
--	--	--	--	--
--	--	--	--	--
(24,522,601)	17,794,034	--	720,000	(839,206)
(14,941,675)	(50,715,658)	112,881	861,306	(44,128)
39,636,373	98,632,312	3,351,999	21,452,852	19,690,073
$ 24,694,698	$ 47,916,654	$ 3,464,880	$ 22,314,158	$ 19,645,945

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	1989 New Jersey Green Acres Fund	1992 New Jersey Green Acres Fund	1995 New Jersey Green Acres Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	218,485	45,322	146,472
Contributions	--	--	--
Other	--	--	--
Total Revenues	218,485	45,322	146,472
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	44,625	440,325	396,222
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	44,625	440,325	396,222
Excess (deficiency) of revenues over expenditures	173,860	(395,003)	(249,750)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	--	--	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	--	--	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	173,860	(395,003)	(249,750)
Fund balances - July 1, 2005	5,408,613	1,742,123	4,249,712
Fund balances - June 30, 2006	$ 5,582,473	$ 1,347,120	$ 3,999,962

1989 New Jersey Green Trust Fund	1992 New Jersey Green Trust Fund	1995 New Jersey Green Trust Fund	1995 New Jersey Inland Blue Acres Fund	New Jersey Insolvent Health Maintenance Organization Assistance Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	9,907,880
1,548,500	880,358	1,067,518	46,277	--
--	--	--	--	--
1,173,467	703,322	1,146,141	--	--
2,721,967	1,583,680	2,213,659	46,277	9,907,880
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,556,070	3,607,876	3,521,488	274,091	--
--	--	--	--	16,058,016
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,556,070	3,607,876	3,521,488	274,091	16,058,016
1,165,897	(2,024,196)	(1,307,829)	(227,814)	(6,150,136)
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,165,897	(2,024,196)	(1,307,829)	(227,814)	(6,150,136)
95,389,304	55,675,900	76,798,579	1,207,807	24,780,074
$ 96,555,201	$ 53,651,704	$ 75,490,750	$ 979,993	$ 18,629,938

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	New Jersey Lawyers' Assistance Program	New Jersey Lawyers' Fund for Client Protection	New Jersey Local Development Financing Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	405,173	3,705,962	25,567
Services and assessments	--	--	--
Investment earnings	16,685	342,060	737,072
Contributions	--	--	--
Other	--	1,162,429	1,170,954
Total Revenues	421,858	5,210,451	1,933,593
EXPENDITURES			
Current:			
Public safety and criminal justice	447,211	3,490,330	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	1,353,368
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	447,211	3,490,330	1,353,368
Excess (deficiency) of revenues over expenditures	(25,353)	1,720,121	580,225
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	--	--	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	--	--	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(25,353)	1,720,121	580,225
Fund balances - July 1, 2005	395,283	12,646,958	47,838,240
Fund balances - June 30, 2006	$ 369,930	$ 14,367,079	$ 48,418,465

New Jersey Racing Industry Special Fund	New Jersey Schools Construction Corporation	New Jersey Spill Compensation Fund	New Jersey Spinal Cord Research Fund	New Jersey Transportation Trust Fund Authority
$ --	$ --	$ 23,687,278	$ --	$ --
--	--	--	--	--
--	78,600	6,849,351	--	--
1,370,427	--	--	--	--
25,807	17,472,686	1,279,002	611,303	24,690,777
--	--	--	--	--
3,860,398	559,997	632,032	4,863,212	--
5,256,632	18,111,283	32,447,663	5,474,515	24,690,777
9,374,211	--	--	--	--
--	--	--	4,071,150	--
--	1,472,821,224	--	--	--
--	--	2,780,720	--	--
--	--	--	--	--
--	--	--	--	577,596,880
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
9,374,211	1,472,821,224	2,780,720	4,071,150	577,596,880
(4,117,579)	(1,454,709,941)	29,666,943	1,403,365	(552,906,103)
--	--	--	--	2,200,071,792
--	2,075,000,000	--	--	805,000,000
--	--	(24,946,291)	(475,870)	(1,369,418,185)
--	--	--	--	1,895,370,397
--	--	--	--	(1,868,415,321)
--	2,075,000,000	(24,946,291)	(475,870)	1,662,608,683
(4,117,579)	620,290,059	4,720,652	927,495	1,109,702,580
4,935,793	464,129,530	8,241,483	14,585,727	21,852,984
$ 818,214	$ 1,084,419,589	$ 12,962,135	$ 15,513,222	$ 1,131,555,564

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	New Jersey Workforce Development Partnership Fund	Petroleum Overcharge Reimbursement Fund	Pinelands Infrastructure Trust Fund
REVENUES			
Taxes	$ 88,354,891	$ --	$ --
Federal and other grants	--	320,790	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	3,000,481	365,415	183,243
Contributions	--	--	--
Other	--	--	144,101
Total Revenues	91,355,372	686,205	327,344
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	463,161	--
Economic planning, development, and security	37,106,300	--	--
Transportation programs	--	5,000,000	--
Government direction, management, and control	--	51,606	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	37,106,300	5,514,767	--
Excess (deficiency) of revenues over expenditures	54,249,072	(4,828,562)	327,344
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(42,279,245)	--	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(42,279,245)	--	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	11,969,827	(4,828,562)	327,344
Fund balances - July 1, 2005	67,630,912	13,000,835	9,700,329
Fund balances - June 30, 2006	$ 79,600,739	$ 8,172,273	$ 10,027,673

Pollution Prevention Fund	Prescription Drug State Employees Program Fund	Real Estate Guaranty Fund	Resource Recovery and Solid Waste Disposal Facility Fund	Retail Margin Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	137,194	--	--
1,914,996	--	--	--	60,235,986
42,175	2,168,896	43,774	22,936	2,193,734
--	270,307,441	--	--	--
--	--	--	--	--
1,957,171	272,476,337	180,968	22,936	62,429,720
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	20,000	--	29,170
--	--	--	--	--
--	236,986,101	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	236,986,101	20,000	--	29,170
1,957,171	35,490,236	160,968	22,936	62,400,550
--	--	--	--	--
--	--	--	--	--
(1,570,402)	--	--	--	--
--	--	--	--	--
--	--	--	--	--
(1,570,402)	--	--	--	--
386,769	35,490,236	160,968	22,936	62,400,550
1,013,014	34,899,831	1,458,261	574,345	--
$ 1,399,783	$ 70,390,067	$ 1,619,229	$ 597,281	$ 62,400,550

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Safe Drinking Water Fund	Sanitary Landfill Facility Contingency Fund	Shore Protection Fund
REVENUES			
Taxes	$ 2,438,483	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	2,060,434	--
Investment earnings	116,065	578,317	423,295
Contributions	--	--	--
Other	--	--	--
Total Revenues	2,554,548	2,638,751	423,295
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	379,820	175,619	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	379,820	175,619	--
Excess (deficiency) of revenues over expenditures	2,174,728	2,463,132	423,295
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(2,485,782)	--	(423,295)
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(2,485,782)	--	(423,295)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(311,054)	2,463,132	--
Fund balances - July 1, 2005	529,667	13,723,328	11,086,214
Fund balances - June 30, 2006	$ 218,613	$ 16,186,460	$ 11,086,214

State Disability Benefit Fund	State Land Acquisition and Development Fund	State Recreation and Conservation Land Acquisition and Development Fund	State Recycling Fund	Stormwater Managememt and Combined Sewer Overflow Abatement Fund
$ 502,773,146	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--
30,481,196	--	--	--	--
3,913,576	14,297	29,429	116,489	35,522
--	--	--	--	--
975,394	--	--	48,988	--
538,143,312	14,297	29,429	165,477	35,522
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	376,382	450,579	3,421,217	817,552
456,954,776	--	--	--	--
--	--	--	--	--
--	11,932	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
456,954,776	388,314	450,579	3,421,217	817,552
81,188,536	(374,017)	(421,150)	(3,255,740)	(782,030)
--	--	--	--	--
--	--	--	3,873,219	--
(27,702,563)	(2,364)	(29,429)	--	--
--	--	--	--	--
--	--	--	--	--
(27,702,563)	(2,364)	(29,429)	3,873,219	--
53,485,973	(376,381)	(450,579)	617,479	(782,030)
154,479,950	257,636	899,221	5,587,411	1,402,340
$ 207,965,923	$ (118,745)	$ 448,642	$ 6,204,890	$ 620,310

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Superior Court of New Jersey Trust Fund	Supplemental Workforce Fund for Basic Skills	Tobacco Settlement Financing Corporation, Inc.
REVENUES			
Taxes	$ --	$ 24,867,863	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	14,162,357	1,223,339	14,247,000
Contributions	--	--	--
Other	--	--	226,242,000
Total Revenues	14,162,357	26,091,202	240,489,000
EXPENDITURES			
Current:			
Public safety and criminal justice	13,975,814	117,773	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	27,232,305	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	422,000
Special government services	--	--	--
Principal	--	--	34,501,000
Interest	--	--	205,681,000
Total Expenditures	13,975,814	27,350,078	240,604,000
Excess (deficiency) of revenues over expenditures	186,543	(1,258,876)	(115,000)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	--	(1,510,295)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	--	(1,510,295)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	186,543	(2,769,171)	(115,000)
Fund balances - July 1, 2005	1,261,363	33,806,707	367,512,000
Fund balances - June 30, 2006	$ 1,447,906	$ 31,037,536	$ 367,397,000

Tobacco Settlement Fund	Tourism Improvement and Development Fund	Trial Attorney Certification Program	Unclaimed Child Support Trust Fund	Unclaimed Utility Deposits Trust Fund
$ --	$ 1,518,776	$ --	$ --	$ --
--	--	--	--	--
--	--	237,140	--	--
--	--	--	--	--
481,471	1,440	6,691	82,692	191,482
--	--	--	--	--
--	--	4,225	73,696	4,721,300
481,471	1,520,216	248,056	156,388	4,912,782
--	--	261,850	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	1,447,776	--	--	--
--	--	--	--	--
--	--	--	9,557	3,946,648
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	1,447,776	261,850	9,557	3,946,648
481,471	72,440	(13,794)	146,831	966,134
--	--	--	--	--
--	--	--	--	--
(12,481,855)	(71,000)	--	--	(191,482)
--	--	--	--	--
--	--	--	--	--
(12,481,855)	(71,000)	--	--	(191,482)
(12,000,384)	1,440	(13,794)	146,831	774,652
18,081,855	--	104,471	2,286,773	4,080,142
$ 6,081,471	$ 1,440	$ 90,677	$ 2,433,604	$ 4,854,794

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Unemployment Compensation Auxiliary Fund	Universal Services Fund	University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	186,990,726	11,019,442
Investment earnings	629,094	2,307,527	207,241
Contributions	--	--	--
Other	28,675,922	--	--
Total Revenues	29,305,016	189,298,253	11,226,683
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	111,100,106	--
Economic planning, development, and security	--	--	32,350,051
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	--	111,100,106	32,350,051
Excess (deficiency) of revenues over expenditures	29,305,016	78,198,147	(21,123,368)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	--	19,322,351
Transfers to other funds	(17,578,725)	(75,711,861)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(17,578,725)	(75,711,861)	19,322,351
Excess (deficiency) of revenues and other sources over expenditures and other uses	11,726,291	2,486,286	(1,801,017)
Fund balances - July 1, 2005	3,075,655	--	1,801,017
Fund balances - June 30, 2006	$ 14,801,946	$ 2,486,286	$ --

Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund	Vietnam Veterans' Memorial Fund	Volunteer Emergency Service Organizations Loan Fund	Wastewater Treatment Fund	1992 Wastewater Treatment Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	128,885,655	--
--	--	--	--	--
--	--	--	--	--
353,564	11	47,870	17,187,570	412,602
--	71,577	--	--	--
29,399	--	23,986	--	--
382,963	71,588	71,856	146,073,225	412,602
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	7,306,674	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	79,247	--	--	--
--	--	--	--	--
--	--	--	--	--
--	79,247	--	7,306,674	--
382,963	(7,659)	71,856	138,766,551	412,602
--	--	--	--	--
--	--	--	--	--
--	--	--	(8,413,843)	--
--	--	--	--	--
--	--	--	--	--
--	--	--	(8,413,843)	--
382,963	(7,659)	71,856	130,352,708	412,602
20,558,397	79,519	3,051,217	831,684,255	29,590,869
$ 20,941,360	$ 71,860	$ 3,123,073	$ 962,036,963	$ 30,003,471

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Water Conservation Fund	2003 Water Resources and Wastewater Treatment Fund	2003 Water Resources and Wastewater Treatment Trust Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	31,961	38,820	--
Contributions	--	--	--
Other	3,997	4,068	--
Total Revenues	35,958	42,888	--
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	5,000,000
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	147,662	150,489
Special government services	--	--	--
Principal	--	--	--
Interest	--	--	--
Total Expenditures	--	147,662	5,150,489
Excess (deficiency) of revenues over expenditures	35,958	(104,774)	(5,150,489)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	--	--	--
Transfers from other funds	--	108,842	150,489
Transfers to other funds	(38,162)	--	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(38,162)	108,842	150,489
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,204)	4,068	(5,000,000)
Fund balances - July 1, 2005	794,800	--	--
Fund balances - June 30, 2006	$ 792,596	$ 4,068	$ (5,000,000)

Water Supply Fund	Water Supply Replacement Trust Fund	Worker and Community Right to Know Fund	Workers' Compensation Security Fund	Total Non-Major Special Revenue Funds
$ --	$ --	$ --	$ --	$ 1,830,747,565
--	--	--	--	151,259,069
--	--	--	--	120,214,717
--	--	4,424,503	30,267,780	809,318,658
4,431,939	2,699	67,862	653,918	202,172,810
--	--	--	--	662,572,113
8,636,855	--	--	--	466,775,064
13,068,794	2,699	4,492,365	30,921,698	4,243,059,996
--	--	--	--	97,033,378
--	--	--	--	615,933,256
--	--	--	--	1,510,949,217
3,348,866	22,800	--	--	449,700,472
--	--	--	31,153,306	870,670,112
--	--	--	--	619,378,793
--	--	--	--	1,738,158,589
--	--	--	--	263,061
--	--	--	--	34,501,000
--	--	--	--	205,681,000
3,348,866	22,800	--	31,153,306	6,142,268,878
9,719,928	(20,101)	4,492,365	(231,608)	(1,899,208,882)
--	--	--	--	2,850,071,792
--	--	--	--	4,600,899,163
(4,108,305)	--	(3,254,672)	--	(3,091,055,379)
--	--	--	--	2,170,332,779
--	--	--	--	(2,096,843,811)
(4,108,305)	--	(3,254,672)	--	4,433,404,544
5,611,623	(20,101)	1,237,693	(231,608)	2,534,195,662
172,095,173	87,416	1,531,178	18,180,759	4,393,335,746
$ 177,706,796	$ 67,315	$ 2,768,871	$ 17,949,151	$ 6,927,531,408

STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2006

	Correctional Facilities Construction Fund	Correctional Facilities Construction Fund of 1987	Energy Conservation Fund
ASSETS			
Cash and cash equivalents	$ 14,096	$ 10,746	$ 6,202
Investments	599,521	1,142,983	285,166
Receivables, net of allowances for uncollectibles			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	104,901	--
Due from other funds	--	--	--
Total Assets	$ 613,617	$ 1,258,630	$ 291,368
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ --	$ 15,976	$ --
Due to other funds	24,544	321,645	11,674
Total Liabilities	24,544	337,621	11,674
Fund Balances			
Reserved for:			
Encumbrances	--	664,907	6,062
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	589,073	256,102	273,632
Undesignated	--	--	--
Total Fund Balances	589,073	921,009	279,694
Total Liabilities and Fund Balances	$ 613,617	$ 1,258,630	$ 291,368

Human Services Facilities Construction Fund	Motor Vehicle Commission Fund	New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund
$ 2,617	$ 56,468	$ 6,452
44,745	11,073,710	6,421,141
--	--	--
--	--	--
--	--	--
--	115,419,878	--
--	--	--
$ 47,362	$ 126,550,056	$ 6,427,593
$ 33,140	$ 1,548,829	$ --
2,573	10,000,050	262,894
35,713	11,548,879	262,894
--	10,889,235	1,509,279
--	--	--
11,649	104,111,942	4,655,420
--	--	--
11,649	115,001,177	6,164,699
$ 47,362	$ 126,550,056	$ 6,427,593

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2006

	Public Purpose Buildings and Community-Based Facilities Construction Fund	Public Purpose Buildings Construction Fund	Special Transportation Fund
ASSETS			
Cash and cash equivalents	$ 379,602	$ 91,853	$ --
Investments	3,894,125	160,198	--
Receivables, net of allowances for uncollectibles			
Federal government	--	--	77,963,126
Departmental accounts	--	--	507,642
Loans	--	--	5,000,000
Other	--	--	2,599
Due from other funds	--	--	215,382,817
Total Assets	$ 4,273,727	$ 252,051	$ 298,856,184
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 47,668	$ --	$ 206,293,733
Due to other funds	179,812	6,558	92,562,451
Total Liabilities	227,480	6,558	298,856,184
Fund Balances			
Reserved for:			
Encumbrances	450,765	608	--
Other	--	--	5,000,000
Unreserved:			
Designated-continuing appropriations	3,595,482	244,885	--
Undesignated	--	--	(5,000,000)
Total Fund Balances	4,046,247	245,493	--
Total Liabilities and Fund Balances	$ 4,273,727	$ 252,051	$ 298,856,184

State Facilities for Handicapped Fund	1999 Statewide Transportation and Local Bridge Fund	Total Non-Major Capital Projects Funds
$ 1,846	$ 86,343	$ 656,225
13,060	31,396,329	55,030,978
--	--	77,963,126
--	--	507,642
--	--	5,000,000
--	--	115,527,378
--	--	215,382,817
$ 14,906	$ 31,482,672	$ 470,068,166
$ --	$ 330,632	$ 208,269,978
--	1,516,575	104,888,776
--	1,847,207	313,158,754
--	19,304,437	32,825,293
--	--	5,000,000
14,906	10,331,028	124,084,119
--	--	(5,000,000)
14,906	29,635,465	156,909,412
$ 14,906	$ 31,482,672	$ 470,068,166

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Correctional Facilities Construction Fund	Correctional Facilities Construction Fund of 1987
REVENUES		
Federal and other grants	$ --	$ --
Services and assessments	--	--
Investment earnings	24,544	51,702
Other	--	--
Total Revenues	24,544	51,702
EXPENDITURES		
Current:		
Public safety and criminal justice	--	20,545
Physical and mental health	--	--
Educational, cultural, and intellectual development	--	--
Economic planning, development, and security	--	--
Transportation programs	--	--
Government direction, management, and control	--	--
Total Expenditures	--	20,545
Excess (deficiency) of revenues over expenditures	24,544	31,157
OTHER FINANCING SOURCES (USES)		
Transfers from other funds	--	--
Transfers to other funds	(24,544)	(321,645)
Total other financing sources (uses)	(24,544)	(321,645)
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	(290,488)
Fund balances - July 1, 2005	589,073	1,211,497
Fund balances - June 30, 2006	$ 589,073	$ 921,009

Energy Conservation Fund	Human Services Facilities Construction Fund	Motor Vehicle Commission Fund	New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund
$ --	$ --	$ --	$ --
--	--	--	--
11,674	2,573	3,421,348	262,894
--	--	--	--
11,674	2,573	3,421,348	262,894
--	--	17,579,268	--
--	--	--	--
--	48,801	--	--
--	--	--	--
--	--	--	--
--	--	2,372	--
--	48,801	17,581,640	--
11,674	(46,228)	(14,160,292)	262,894
--	--	--	--
(11,674)	(2,573)	--	(262,894)
(11,674)	(2,573)	--	(262,894)
--	(48,801)	(14,160,292)	--
279,694	60,450	129,161,469	6,164,699
$ 279,694	$ 11,649	$ 115,001,177	$ 6,164,699

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Public Purpose Buildings and Community-Based Facilities Construction Fund	Public Purpose Buildings Construction Fund	Special Transportation Fund
REVENUES			
Federal and other grants	$ --	$ --	$ 672,617,875
Services and assessments	--	--	3,354,679
Investment earnings	179,812	6,558	--
Other	358,512	--	--
Total Revenues	538,324	6,558	675,972,554
EXPENDITURES			
Current:			
Public safety and criminal justice	523,447	--	--
Physical and mental health	16,758	--	--
Educational, cultural, and intellectual development	--	--	--
Economic planning, development, and security	233,183	--	--
Transportation programs	--	--	2,045,390,739
Government direction, management, and control	--	--	--
Total Expenditures	773,388	--	2,045,390,739
Excess (deficiency) of revenues over expenditures	(235,064)	6,558	(1,369,418,185)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	--	--	1,369,418,185
Transfers to other funds	(179,812)	(6,558)	--
Total other financing sources (uses)	(179,812)	(6,558)	1,369,418,185
Excess (deficiency) of revenues and other sources over expenditures and other uses	(414,876)	--	--
Fund balances - July 1, 2005	4,461,123	245,493	--
Fund balances - June 30, 2006	$ 4,046,247	$ 245,493	$ --

State Facilities for Handicapped Fund	1999 Statewide Transportation and Local Bridge Fund	Transportation Rehabilitation and Improvement Fund	Total Non-Major Capital Projects Funds
$ --	$ --	$ --	$ 672,617,875
--	--	--	3,354,679
578	1,516,575	10,156	5,488,414
--	--	--	358,512
578	1,516,575	10,156	681,819,480
--	--	--	18,123,260
--	--	--	16,758
2,648	--	--	51,449
--	--	--	233,183
--	8,684,272	567,792	2,054,642,803
--	--	--	2,372
2,648	8,684,272	567,792	2,073,069,825
(2,070)	(7,167,697)	(557,636)	(1,391,250,345)
--	--	--	1,369,418,185
--	(1,516,575)	(10,156)	(2,336,431)
--	(1,516,575)	(10,156)	1,367,081,754
(2,070)	(8,684,272)	(567,792)	(24,168,591)
16,976	38,319,737	567,792	181,078,003
$ 14,906	$ 29,635,465	$ --	$ 156,909,412

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2006

	Dental Local Government Employers Program Fund	Prescription Drug Local Government Employers Program Fund	Total Non-Major Proprietary Funds
ASSETS			
Current Assets			
Cash and cash equivalents	$ --	$ 252,425	$ 252,425
Investments	58,705	19,836,045	19,894,750
Receivables, net of allowances			
Other	15,717	8,162,191	8,177,908
Due from other funds	--	2,603,621	2,603,621
Total Assets	74,422	30,854,282	30,928,704
LIABILITIES			
Current Liabilities			
Accounts payable	2,846,803	1,800,000	4,646,803
Due to other funds	55,368	--	55,368
Total Liabilities	2,902,171	1,800,000	4,702,171
NET ASSETS			
Restricted for:			
Other purposes	--	29,054,282	29,054,282
Unrestricted	(2,827,749)	--	(2,827,749)
Total Net Assets	$ (2,827,749)	$ 29,054,282	$ 26,226,533

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NON-MAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Dental Local Government Employers Program Fund	Prescription Drug Local Government Employers Program Fund	Total Non-Major Proprietary Funds
OPERATING REVENUES			
Contributions	$ 16,423,155	$ 99,109,580	$ 115,532,735
Total Operating Revenues	16,423,155	99,109,580	115,532,735
OPERATING EXPENSES			
Benefit payments	18,024,622	91,885,883	109,910,505
Total Operating Expenses	18,024,622	91,885,883	109,910,505
Operating Income (Loss)	(1,601,467)	7,223,697	5,622,230
NONOPERATING REVENUES (EXPENSES)			
Investment income	23,543	542,224	565,767
Total Nonoperating Revenues (Expenses)	23,543	542,224	565,767
Change in Net Assets	(1,577,924)	7,765,921	6,187,997
Total Net Assets - July 1, 2005	(1,249,825)	21,288,361	20,038,536
Total Net Assets - June 30, 2006	$ (2,827,749)	$ 29,054,282	$ 26,226,533

STATE OF NEW JERSEY
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Dental Local Government Employers Program Fund	Prescription Drug Local Government Employers Program Fund	Total Non-Major Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts received from customers	$ 15,674,162	$ 656,625	$ 16,330,787
Receipts from federal and local agencies	751,792	95,475,346	96,227,138
Claims paid	(17,082,318)	(91,885,883)	(108,968,201)
Net cash provided (used) by operating activities	(656,364)	4,246,088	3,589,724
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Miscellaneous receipts (payments)	46,803	--	46,803
Net cash provided (used) by noncapital financing activities	46,803	--	46,803
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	23,493	541,351	564,844
Purchase of investments	551,733	(4,966,104)	(4,414,371)
Other	50	873	923
Net cash provided (used) by investing activities	575,276	(4,423,880)	(3,848,604)
Net increase (decrease) in cash and cash equivalents	(34,285)	(177,792)	(212,077)
Cash and cash equivalents - July 1, 2005	34,285	430,217	464,502
Cash and cash equivalents - June 30, 2006	$ --	$ 252,425	$ 252,425
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (1,601,467)	$ 7,223,697	$ 5,622,230
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Net changes in assets and liabilities:			
Current assets	2,799	(2,977,609)	(2,974,810)
Current liabilities	942,304	--	942,304
Net cash provided (used) by operating activities	$ (656,364)	$ 4,246,088	$ 3,589,724

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2006

	Alternate Benefit Program Fund	Judiciary Bail Fund	Judiciary Child Support and Paternity Fund
ASSETS			
Cash and cash equivalents	$ 1,166,696	$ 73,810	$ 3,799,853
Investments	884,751	33,118,058	17,759,956
Receivables, net of allowances for uncollectibles			
Members	404,509	--	--
Employers	--	--	--
Departmental accounts	--	--	--
Other	--	41,822	--
Due from other funds	24,476,907	--	--
Total Assets	$ 26,932,863	$ 33,233,690	$ 21,559,809
LIABILITIES			
Accounts payable	$ 23,829,812	$ 33,233,690	$ 21,559,809
Due to other funds	3,103,051	--	--
Total Liabilities	$ 26,932,863	$ 33,233,690	$ 21,559,809

Judiciary Probation Fund	Judiciary Special Civil Fund	Luxury Tax Development Fund	Pension Adjustment Fund	Resource Recovery Investment Tax Fund
$ 110,679	$ 100,625	$ 341,561	$ 521,383	$ 100,299
10,467,518	3,812,967	1,561,593	3,208,131	419,794
--	--	--	--	--
--	--	--	1,750,405	--
--	--	--	--	--
--	--	--	--	--
--	--	--	1,517	--
$ 10,578,197	$ 3,913,592	$ 1,903,154	$ 5,481,436	$ 520,093
$ 10,578,197	$ 3,913,592	$ 1,903,154	$ 3,311,497	$ 520,093
--	--	--	2,169,939	--
$ 10,578,197	$ 3,913,592	$ 1,903,154	$ 5,481,436	$ 520,093

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)
AGENCY FUNDS
JUNE 30, 2006

	Solid Waste Service Tax Fund	Wage and Hour Trust Fund	Total Agency Funds
ASSETS			
Cash and cash equivalents	$ 601,197	$ 1,120,981	$ 7,937,084
Investments	10,142,781	2,509,132	83,884,681
Receivables, net of allowances for uncollectibles			
Members	--	--	404,509
Employers	--	--	1,750,405
Departmental accounts	516,829	--	516,829
Other	--	--	41,822
Due from other funds	--	--	24,478,424
Total Assets	$ 11,260,807	$ 3,630,113	$ 119,013,754
LIABILITIES			
Accounts payable	$ 11,260,807	$ 3,574,295	$ 113,684,946
Due to other funds	--	55,818	5,328,808
Total Liabilities	$ 11,260,807	$ 3,630,113	$ 119,013,754

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
ALTERNATE BENEFIT PROGRAM FUND				
Assets				
Cash and cash equivalents	$ 981,712	$ 128,049,016	$ 127,864,032	$ 1,166,696
Investments	4,186,500	143,652,761	146,954,510	884,751
Receivables, net - members	29,615	404,509	29,615	404,509
Due from other funds	20,283,308	24,476,907	20,283,308	24,476,907
Total Assets	$ 25,481,135	$ 296,583,193	$ 295,131,465	$ 26,932,863
Liabilities				
Account payable	$ 22,351,581	$ 24,600,449	$ 23,122,218	$ 23,829,812
Due to other funds	3,129,554	3,103,051	3,129,554	3,103,051
Total Liabilities	$ 25,481,135	$ 27,703,500	$ 26,251,772	$ 26,932,863
JUDICIARY BAIL FUND				
Assets				
Cash and cash equivalents	$ 87,823	$ 122,750,643	$ 122,764,656	$ 73,810
Investments	28,992,058	18,785,831	14,659,831	33,118,058
Receivables, net - other	41,822	--	--	41,822
Total Assets	$ 29,121,703	$ 141,536,474	$ 137,424,487	$ 33,233,690
Liabilities				
Accounts payable	$ 29,121,703	$ 107,914,392	$ 103,802,405	$ 33,233,690
Total Liabilities	$ 29,121,703	$ 107,914,392	$ 103,802,405	$ 33,233,690
JUDICIARY CHILD SUPPORT AND PATERNITY FUND				
Assets				
Cash	$ 3,617,907	$ 2,756,163,628	$ 2,755,981,682	$ 3,799,853
Investments	22,437,957	152,141,858	156,819,859	17,759,956
Total Assets	$ 26,055,864	$ 2,908,305,486	$ 2,912,801,541	$ 21,559,809
Liabilities				
Accounts payable	$ 26,055,864	$ 1,619,133,415	$ 1,623,629,470	$ 21,559,809
Total Liabilities	$ 26,055,864	$ 1,619,133,415	$ 1,623,629,470	$ 21,559,809

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILIITES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
JUDICIARY PROBATION FUND				
Assets				
Cash	$ 98,312	$ 78,557,132	$ 78,544,765	$ 110,679
Investments	10,339,519	20,544,831	20,416,832	10,467,518
Total Assets	$ 10,437,831	$ 99,101,963	$ 98,961,597	$ 10,578,197
Liabilities				
Accounts payable	$ 10,437,831	$ 59,057,132	$ 58,916,766	$ 10,578,197
Total Liabilities	$ 10,437,831	$ 59,057,132	$ 58,916,766	$ 10,578,197
JUDICIARY SPECIAL CIVIL FUND				
Assets				
Cash	$ 169,463	$ 73,122,443	$ 73,191,281	$ 100,625
Investments	2,962,967	16,971,725	16,121,725	3,812,967
Total Assets	$ 3,132,430	$ 90,094,168	$ 89,313,006	$ 3,913,592
Liabilities				
Accounts payable	$ 3,132,430	$ 56,966,629	$ 56,185,467	$ 3,913,592
Total Liabilities	$ 3,132,430	$ 56,966,629	$ 56,185,467	$ 3,913,592
LUXURY TAX DEVELOPMENT FUND				
Assets				
Cash	$ 254,035	$ 163,828	$ 76,302	$ 341,561
Investments	1,576,417	65,176	80,000	1,561,593
Total Assets	$ 1,830,452	$ 229,004	$ 156,302	$ 1,903,154
Liabilities				
Accounts payable	$ 1,830,452	$ 225,306	$ 152,604	$ 1,903,154
Total Liabilities	$ 1,830,452	$ 225,306	$ 152,604	$ 1,903,154

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILIITES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
PENSION ADJUSTMENT FUND				
Assets				
Cash	$ 29,762	$ 8,246,163	$ 7,754,542	$ 521,383
Investments	3,480,275	9,686,413	9,958,557	3,208,131
Receivables, net - employers	1,747,855	10,617,555	10,615,005	1,750,405
Due from other funds	22,083	112,965	133,531	1,517
Total Assets	$ 5,279,975	$ 28,663,096	$ 28,461,635	$ 5,481,436
Liabilities				
Accounts payable	$ 3,142,826	$ 169,964	$ 1,293	$ 3,311,497
Due to other funds	2,137,149	18,537,270	18,504,480	2,169,939
Total Liabilities	$ 5,279,975	$ 18,707,234	$ 18,505,773	$ 5,481,436
RESOURCE RECOVERY INVESTMENT TAX FUND				
Assets				
Cash	$ 100,299	$ --	$ --	$ 100,299
Investments	402,714	17,080	--	419,794
Total Assets	$ 503,013	$ 17,080	$ --	$ 520,093
Liabilities				
Accounts payable	$ 503,013	$ 17,080	$ --	$ 520,093
Total Liabilities	$ 503,013	$ 17,080	$ --	$ 520,093
SOLID WASTE SERVICE TAX FUND				
Assets				
Cash	$ 51,138	$ 14,360,867	$ 13,810,808	$ 601,197
Investments	11,046,062	2,596,719	3,500,000	10,142,781
Receivables, net - departmental	37,231	516,829	37,231	516,829
Total Assets	$ 11,134,431	$ 17,474,415	$ 17,348,039	$ 11,260,807
Liabilities				
Accounts payable	$ 11,134,431	$ 12,370,053	$ 12,243,677	$ 11,260,807
Total Liabilities	$ 11,134,431	$ 12,370,053	$ 12,243,677	$ 11,260,807

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILIITES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
WAGE AND HOUR TRUST FUND				
Assets				
Cash	$ 2,114,301	$ 4,469,836	$ 5,463,156	$ 1,120,981
Investments	1,146,823	1,422,309	60,000	2,509,132
Total Assets	$ 3,261,124	$ 5,892,145	$ 5,523,156	$ 3,630,113
Liabilities				
Accounts payable	$ 3,246,487	$ 4,409,836	$ 4,082,028	$ 3,574,295
Due to other funds	14,637	92,308	51,127	55,818
Total Liabilities	$ 3,261,124	$ 4,502,144	$ 4,133,155	$ 3,630,113
TOTAL AGENCY FUNDS				
Assets				
Cash	$ 7,504,752	$ 3,185,883,556	$ 3,185,451,224	$ 7,937,084
Investments	86,571,292	365,884,703	368,571,314	83,884,681
Receivables, net - members	29,615	404,509	29,615	404,509
Receivables, net - employers	1,747,855	10,617,555	10,615,005	1,750,405
Receivables, net - departmental	37,231	516,829	37,231	516,829
Receivables, net - other	41,822	--	--	41,822
Due from other funds	20,305,391	24,589,872	20,416,839	24,478,424
Total Assets	$ 116,237,958	$ 3,587,897,024	$ 3,585,121,228	$ 119,013,754
Liabilities				
Accounts payable	$ 110,956,618	$ 1,884,864,256	$ 1,882,135,928	$ 113,684,946
Due to other funds	5,281,340	21,732,629	21,685,161	5,328,808
Total Liabilities	$ 116,237,958	$ 1,906,596,885	$ 1,903,821,089	$ 119,013,754

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2006

	Alternate Benefit Long-Term Disability Fund	Central Pension Fund	Consolidated Police and Firemen's Pension Fund
ASSETS			
Cash and cash equivalents	$ --	$ --	$ 155,455
Securities lending collateral	--	--	36,817
Investments	1,484,289	34,926	16,494,260
Receivables, net of allowances for uncollectibles			
Members	--	--	--
Employers	--	--	--
Interest and dividends	--	34	3,858
Due from other funds	--	--	1,809,197
Other	310,826	39,094	59,780
Total Assets	1,795,115	74,054	18,559,367
LIABILITIES			
Accounts payable	--	19,915	2,324
Benefits payable	--	29,230	297,157
Securities lending collateral and rebates payable	--	--	36,817
Due to other funds	--	24,909	8,963
Total Liabilities	--	74,054	345,261
NET ASSETS			
Held in Trust for Pension Benefits and Other Purposes	$ 1,795,115	$ --	$ 18,214,106

Judicial Retirement System	New Jersey State Employees' Deferred Compensation Plan	Police and Firemen's Retirement System
$ 42,023	$ --	$ 2,131,532
64,982,023	--	3,004,838,828
336,088,388	1,700,779,705	17,243,626,439
--	--	46,903,400
--	--	1,092,628,296
2,266,896	2,214,504	112,786,319
72,936	--	2,794,367
809,773	6,252,653	458,798,243
404,262,039	1,709,246,862	21,964,507,424
2,014	818,799	4,631,742
875,180	87,110	27,542,526
64,982,023	--	3,004,838,828
110,564	--	2,307,671
65,969,781	905,909	3,039,320,767
$ 338,292,258	$ 1,708,340,953	$ 18,925,186,657

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2006

	Prison Officers' Pension Fund	Public Employees' Retirement System	State Police Retirement System
ASSETS			
Cash and cash equivalents	$ 340,172	$ 3,817,601	$ --
Securities lending collateral	353,352	4,729,781,295	356,602,491
Investments	13,780,944	23,650,032,298	1,803,205,297
Receivables, net of allowances for uncollectibles			
Members	--	59,626,426	5,418
Employers	--	1,036,094,249	--
Interest and dividends	70,271	157,878,640	12,212,871
Due from other funds	--	10,703,936	1,007,950
Other	--	458,436,306	28,684,428
Total Assets	14,544,739	30,106,370,751	2,201,718,455
LIABILITIES			
Accounts payable	1,288	19,954,168	155,372
Benefits payable	171,316	40,555,715	2,490,498
Securities lending collateral and rebates payable	353,352	4,729,781,295	356,602,491
Due to other funds	4,065	4,064,485	266,065
Total Liabilities	530,021	4,794,355,663	359,514,426
NET ASSETS			
Held in Trust for Pension Benefits and Other Purposes	$ 14,014,718	$ 25,312,015,088	$ 1,842,204,029

Supplemental Annuity Collective Trust	Teachers' Pension and Annuity Fund	Total Pension and Other Employee Benefits Trust Funds
$ --	$ 4,783,607	$ 11,270,390
--	6,021,492,285	14,178,087,091
161,869,807	30,435,616,171	75,363,012,524
452,185	68,068,346	175,055,775
--	79,660,228	2,208,382,773
200,970	202,857,201	490,491,564
35,060	64,838	16,488,284
16,218	218,997,259	1,172,404,580
162,574,240	37,031,539,935	93,615,192,981
852,775	15,535,544	41,973,941
142,517	51,526,542	123,717,791
--	6,021,492,285	14,178,087,091
6,122	4,106,031	10,898,875
1,001,414	6,092,660,402	14,354,677,698
$ 161,572,826	$ 30,938,879,533	$ 79,260,515,283

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Alternate Benefit Long-Term Disability Fund	Central Pension Fund	Consolidated Police and Firemen's Pension Fund
ADDITIONS			
Contributions:			
Members	$ --	$ --	$ --
Employers	1,000,000	424,786	6,450,118
Other	--	25,713	8,231,766
Total Contributions	1,000,000	450,499	14,681,884
Investment Income:			
Net increase (decrease) in fair value of investments	267	2	(26,334)
Interest and dividends	155,045	4,737	440,852
Total Investment Income	155,312	4,739	414,518
Less investment expense	--	--	8,921
Net Investment Income	155,312	4,739	405,597
Total Additions	1,155,312	455,238	15,087,481
DEDUCTIONS			
Benefit payments	2,987,049	430,527	13,478,301
Refunds of contributions	--	24,711	--
Administrative expense	--	--	25,777
Total Deductions	2,987,049	455,238	13,504,078
Total Changes in Net Assets Held In Trust	(1,831,737)	--	1,583,403
Net Assets - July 1, 2005	3,626,852	--	16,630,703
Net Assets - June 30, 2006	$ 1,795,115	$ --	$ 18,214,106

Judicial Retirement System	New Jersey State Employees' Deferred Compensation Plan	Police and Firemen's Retirement System
$ 1,583,469	$ 166,371,405	$ 290,681,716
7,972,000	--	714,210,999
--	--	--
9,555,469	166,371,405	1,004,892,715
20,988,912	68,304,659	1,059,993,931
11,486,658	38,890,790	615,812,865
32,475,570	107,195,449	1,675,806,796
465	212,969	425,860
32,475,105	106,982,480	1,675,380,936
42,030,574	273,353,885	2,680,273,651
31,137,599	80,873,250	1,153,490,795
20,206	--	6,644,742
179,387	513,741	4,930,808
31,337,192	81,386,991	1,165,066,345
10,693,382	191,966,894	1,515,207,306
327,598,876	1,516,374,059	17,409,979,351
$ 338,292,258	$ 1,708,340,953	$ 18,925,186,657

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (Continued)
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Prison Officers' Pension Fund	Public Employees' Retirement System	State Police Retirement System
ADDITIONS			
Contributions:			
Members	$ --	$ 630,322,617	$ 16,917,317
Employers	--	534,146,738	13,015,093
Other	1,149,159	--	--
Total Contributions	1,149,159	1,164,469,355	29,932,410
Investment Income:			
Net increase (decrease) in fair value of investments	(176,079)	1,575,729,878	119,783,381
Interest and dividends	711,022	767,012,642	53,996,694
Total Investment Income	534,943	2,342,742,520	173,780,075
Less investment expense	1,997	4,211,013	12,954
Net Investment Income	532,946	2,338,531,507	173,767,121
Total Additions	1,682,105	3,503,000,862	203,699,531
DEDUCTIONS			
Benefit payments	2,443,222	2,019,162,139	104,938,160
Refunds of contributions	--	70,271,522	90,138
Administrative expense	7,630	17,365,728	388,585
Total Deductions	2,450,852	2,106,799,389	105,416,883
Total Changes in Net Assets Held In Trust	(768,747)	1,396,201,473	98,282,648
Net Assets - July 1, 2005	14,783,465	23,915,813,615	1,743,921,381
Net Assets - June 30, 2006	$ 14,014,718	$ 25,312,015,088	$ 1,842,204,029

Supplemental Annuity Collective Trust	Teachers' Pension and Annuity Fund	Total Pension and Other Employee Benefits Trust Funds
$ 7,601,807	$ 507,106,612	$ 1,620,584,943
--	656,731,164	1,933,950,898
--	--	9,406,638
7,601,807	1,163,837,776	3,563,942,479
12,797,524	2,051,334,377	4,908,730,518
3,274,631	931,125,355	2,422,911,291
16,072,155	2,982,459,732	7,331,641,809
--	1,636,260	6,510,439
16,072,155	2,980,823,472	7,325,131,370
23,673,962	4,144,661,248	10,889,073,849
13,178,330	2,794,412,846	6,216,532,218
--	33,211,383	110,262,702
--	10,389,022	33,800,678
13,178,330	2,838,013,251	6,360,595,598
10,495,632	1,306,647,997	4,528,478,251
151,077,194	29,632,231,536	74,732,037,032
$ 161,572,826	$ 30,938,879,533	$ 79,260,515,283

STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2006

	Insurance Annuity Trust Fund	Motor Vehicle Security Responsibility Fund
ASSETS		
Cash and cash equivalents	$ 100	$ 24,693
Investments	111,800	244,569
Receivables, net of allowances for uncollectibles		
Departmental accounts	--	--
Due from other funds	--	--
Total Assets	111,900	269,262
LIABILITIES		
Accounts payable	--	259,151
Due to other funds	--	10,012
Total Liabilities	--	269,163
NET ASSETS		
Held in Trust for Pension Benefits and Other Purposes	$ 111,900	$ 99

Unclaimed County Deposits Trust Fund	Unclaimed Insurance Payments on Deposit Accounts Fund	Total Private Purpose Trust Funds
$ 2,329,275	$ 178,130	$ 2,532,198
9,464,345	1,493,860	11,314,574
--	19,528	19,528
--	23,060	23,060
11,793,620	1,714,578	13,889,360
3,178,399	--	3,437,550
4,237,866	--	4,247,878
7,416,265	--	7,685,428
$ 4,377,355	$ 1,714,578	$ 6,203,932

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Insurance Annuity Trust Fund	Motor Vehicle Security Responsibility Fund
ADDITIONS		
Investment Income:		
Interest and dividends	$ 4,305	$ 10,012
Total Investment Income	4,305	10,012
Miscellaneous	6,000	--
Total Additions	10,305	10,012
DEDUCTIONS		
Refunds and transfers to other systems	--	10,012
Payments in accordance with trust agreements	--	--
Total Deductions	--	10,012
Total Changes in Net Assets Held In Trust	10,305	--
Net Assets - July 1, 2005	101,595	99
Net Assets - June 30, 2006	$ 111,900	$ 99

Unclaimed County Deposits Trust Fund	Unclaimed Insurance Payments on Deposit Accounts Fund	Total Private Purpose Trust Funds
$ 385,080	$ 61,260	$ 460,657
385,080	61,260	460,657
93,693	43,497	143,190
478,773	104,757	603,847
--	--	10,012
163,849	196,835	360,684
163,849	196,835	370,696
314,924	(92,078)	233,151
4,062,431	1,806,656	5,970,781
$ 4,377,355	$ 1,714,578	$ 6,203,932

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS
JUNE 30, 2006

	Authorities	Colleges and Universities	Total Non-Major Component Units
ASSETS			
Current Assets			
Cash and cash equivalents	$ 782,232,329	$ 281,792,752	$ 1,064,025,081
Investments	4,576,502,788	993,137,252	5,569,640,040
Receivables, net of allowances for uncollectibles			
Federal government	9,073,955	20,006,100	29,080,055
Loans	1,809,240,772	16,298,797	1,825,539,569
Mortgages	2,057,610,234	--	2,057,610,234
Other	287,602,555	52,745,779	340,348,334
Due from external parties	55,360,142	13,420,126	68,780,268
Inventories	1,092,062	1,207,270	2,299,332
Other	214,375,825	59,893,448	274,269,273
Noncurrent Assets			
Fixed assets, net	2,008,745,719	2,445,255,376	4,454,001,095
Total Assets	11,801,836,381	3,883,756,900	15,685,593,281
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	110,229,976	116,994,160	227,224,136
Due to external parties	23,082,569	3,120,558	26,203,127
Interest payable	60,114,003	24,965,152	85,079,155
Deferred revenue	157,684,560	59,570,865	217,255,425
Current portion of long-term obligations	252,721,859	64,942,068	317,663,927
Other	318,689,162	6,020,478	324,709,640
Noncurrent Liabilities			
Due in more than one year	6,709,588,658	1,868,540,069	8,578,128,727
Total Liabilities	7,632,110,787	2,144,153,350	9,776,264,137
NET ASSETS			
Invested in capital assets, net of related debt	464,118,123	919,701,126	1,383,819,249
Restricted for:			
Capital projects	52,971,741	16,766,040	69,737,781
Debt service	580,571,076	88,405,453	668,976,529
Other purposes	1,544,859,779	276,842,704	1,821,702,483
Unrestricted	1,527,204,875	437,888,227	1,965,093,102
Total Net Assets	$ 4,169,725,594	$ 1,739,603,550	$ 5,909,329,144

STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Authorities	Colleges and Universities	Total Non-Major Component Units
Expenses	$ 1,243,314,287	$ 1,508,355,955	$ 2,751,670,242
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	648,615,870	730,543,393	1,379,159,263
Operating grants and contributions	541,715,994	516,074,902	1,057,790,896
Capital grants and contributions	507,763,130	4,967,926	512,731,056
Net (Expense) Revenue	454,780,707	(256,769,734)	198,010,973
General Revenue			
Payments from State	177,215,857	357,444,421	534,660,278
Total General Revenue	177,215,857	357,444,421	534,660,278
Change in Net Assets	631,996,564	100,674,687	732,671,251
Net Assets - Beginning of Year (Restated)	3,537,729,030	1,638,928,863	5,176,657,893
Net Assets - End of Year	$ 4,169,725,594	$ 1,739,603,550	$ 5,909,329,144

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS - AUTHORITIES
JUNE 30, 2006

	Casino Reinvestment Development Authority	Higher Education Student Assistance Authority
ASSETS		
Current Assets		
Cash and cash equivalents	$ 298,612	$ 53,426,915
Investments	275,285,110	1,887,590,199
Receivables, net of allowances for uncollectibles		
Federal government	--	9,073,955
Loans	--	742,164,273
Mortgages	130,819,404	--
Other	28,773,417	21,511,006
Due from external parties	--	--
Inventories	--	--
Other	8,277,075	7,733,232
Noncurrent Assets		
Fixed assets, net	93,799,461	1,017,144
Total Assets	537,253,079	2,722,516,724
LIABILITIES		
Current Liabilities		
Accounts payable	7,368,684	11,282,634
Due to external parties	--	--
Interest payable	8,660,540	4,822,484
Deferred revenue	--	--
Current portion of long-term obligations	2,519,084	8,043,846
Other	--	14,723,142
Noncurrent Liabilities		
Due in more than one year	513,825,400	1,337,310,000
Total Liabilities	532,373,708	1,376,182,106
NET ASSETS		
Invested in capital assets, net of related debt	102,942	--
Restricted for:		
Capital projects	--	--
Debt service	17,011,865	27,331,445
Other purposes	--	1,319,003,173
Unrestricted	(12,235,436)	--
Total Net Assets	$ 4,879,371	$ 1,346,334,618

New Jersey Commerce and Economic Growth Commission	New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises	New Jersey Economic Development Authority	New Jersey Educational Facilities Authority
$ 3,312,293	$ 137,391	$ 49,202,812	$ 56,260
99,779	1,677,858	717,070,894	6,874,253
--	--	--	--
2,820,004	--	--	--
--	--	21,341,830	--
391,588	1,430,807	203,342,456	532,857
--	--	--	--
--	2,586	--	--
30,802	--	1,386,050	64,106
44,001	--	161,622,851	326,813
6,698,467	3,248,642	1,153,966,893	7,854,289
1,600,337	31,770	3,991,243	250,367
--	--	--	--
--	--	1,301,241	--
58,865	161,083	1,657,766	--
--	--	18,021,419	--
1,011,047	290,000	7,548,292	--
--	--	202,755,506	1,432,783
2,670,249	482,853	235,275,467	1,683,150
44,001	--	30,042,851	326,813
--	--	--	--
--	--	--	--
2,820,004	--	53,529,787	--
1,164,213	2,765,789	835,118,788	5,844,326
$ 4,028,218	$ 2,765,789	$ 918,691,426	$ 6,171,139

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
JUNE 30, 2006

	New Jersey Environmental Infrastructure Trust	New Jersey Health Care Facilities Financing Authority	New Jersey Housing and Mortgage Finance Agency
ASSETS			
Current Assets			
Cash and cash equivalents	$ 470,574,730	$ 26,000	$ 54,906,000
Investments	178,623,327	4,827,000	1,202,472,000
Receivables, net of allowances for uncollectibles			
Federal government	--	--	--
Loans	855,636,114	--	195,045,000
Mortgages	--	--	1,905,449,000
Other	--	2,087,000	13,957,000
Due from external parties	--	--	1,891,000
Inventories	--	--	--
Other	32,499,500	144,000	33,520,000
Noncurrent Assets			
Fixed assets, net	16,505	286,000	14,203,000
Total Assets	1,537,350,176	7,370,000	3,421,443,000
LIABILITIES			
Current Liabilities			
Accounts payable	16,163,702	284,000	--
Due to external parties	--	--	15,688,000
Interest payable	--	--	19,962,000
Deferred revenue	--	683,000	--
Current portion of long-term obligations	77,639,582	--	85,505,000
Other	--	--	210,901,000
Noncurrent Liabilities			
Due in more than one year	1,086,652,456	296,000	2,272,809,000
Total Liabilities	1,180,455,740	1,263,000	2,604,865,000
NET ASSETS			
Invested in capital assets, net of related debt	--	286,000	14,203,000
Restricted for:			
Capital projects	--	--	--
Debt service	230,552,126	--	259,139,000
Other purposes	105,441,200	--	--
Unrestricted	20,901,110	5,821,000	543,236,000
Total Net Assets	$ 356,894,436	$ 6,107,000	$ 816,578,000

New Jersey Meadowlands Commission	New Jersey Redevelopment Authority	New Jersey Sports and Exposition Authority	New Jersey Water Supply Authority
$ 57,152,002	$ 7,468,084	$ 18,735,000	$ 27,382,621
24,911,068	--	200,786,000	17,807,445
--	--	--	--
--	11,255,175	--	2,320,206
--	--	--	--
4,697,508	779,465	521,000	2,873,057
--	--	50,111,000	--
--	--	--	--
88,034	37,201,594	61,013,000	18,071,169
20,294,175	84,868	910,278,000	145,274,697
107,142,787	56,789,186	1,241,444,000	213,729,195
4,308,443	91,101	53,591,000	2,131,965
--	747,360	--	--
--	--	20,239,000	--
--	--	151,907,000	2,188,660
--	--	34,634,000	5,911,153
1,186,213	--	72,642,000	--
16,993,365	--	826,100,000	102,912,421
22,488,021	838,461	1,159,113,000	113,144,199
20,294,175	84,868	66,750,000	36,451,123
--	35,289,722	--	--
--	--	5,011,000	6,724,206
57,872,127	--	--	5,176,138
6,488,464	20,576,135	10,570,000	52,233,529
$ 84,654,766	$ 55,950,725	$ 82,331,000	$ 100,584,996

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
JUNE 30, 2006

	South Jersey Port Corporation	South Jersey Transportation Authority	Total Non-Major Authorities
ASSETS			
Current Assets			
Cash and cash equivalents	$ 6,620,327	$ 32,933,282	$ 782,232,329
Investments	19,567,177	38,910,678	4,576,502,788
Receivables, net of allowances for uncollectibles			
Federal government	--	--	9,073,955
Loans	--	--	1,809,240,772
Mortgages	--	--	2,057,610,234
Other	178,316	6,527,078	287,602,555
Due from external parties	3,358,142	--	55,360,142
Inventories	1,017,213	72,263	1,092,062
Other	6,836,880	7,510,383	214,375,825
Noncurrent Assets			
Fixed assets, net	145,951,219	515,546,985	2,008,745,719
Total Assets	183,529,274	601,500,669	11,801,836,381
LIABILITIES			
Current Liabilities			
Accounts payable	1,740,975	7,393,755	110,229,976
Due to external parties	6,647,209	--	23,082,569
Interest payable	2,993,389	2,135,349	60,114,003
Deferred revenue	620,205	407,981	157,684,560
Current portion of long-term obligations	4,850,000	15,597,775	252,721,859
Other	168,864	10,218,604	318,689,162
Noncurrent Liabilities			
Due in more than one year	123,978,578	224,523,149	6,709,588,658
Total Liabilities	140,999,220	260,276,613	7,632,110,787
NET ASSETS			
Invested in capital assets, net of related debt	22,641,133	272,891,217	464,118,123
Restricted for:			
Capital projects	--	17,682,019	52,971,741
Debt service	10,436,778	24,364,656	580,571,076
Other purposes	1,017,213	137	1,544,859,779
Unrestricted	8,434,930	26,286,027	1,527,204,875
Total Net Assets	$ 42,530,054	$ 341,224,056	$ 4,169,725,594

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Casino Reinvestment Development Authority	Higher Education Student Assistance Authority
Expenses	$ 72,389,187	$ 267,710,056
Net (Expense) Revenue and Changes in Net Assets		
Program Revenues		
Charges for services	20,751,787	79,142,020
Operating grants and contributions	16,821,633	165,746,280
Capital grants and contributions	--	450,753,250
Net (Expense) Revenue	(34,815,767)	427,931,494
General Revenue		
Payments from State	--	--
Total General Revenue	--	--
Change in Net Assets	(34,815,767)	427,931,494
Net Assets - Beginning of Year (Restated)	39,695,138	918,403,124
Net Assets - End of Year	$ 4,879,371	$ 1,346,334,618

New Jersey Commerce and Economic Growth Commission	New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises	New Jersey Economic Development Authority	New Jersey Educational Facilities Authority
$ 23,175,321	$ 442,387	$ 45,447,778	$ 4,856,131
2,065,040	213,092	4,333,791	3,763,905
2,094,794	269,094	51,310,591	--
--	--	--	--
(19,015,487)	39,799	10,196,604	(1,092,226)
19,444,000	--	76,637,512	--
19,444,000	--	76,637,512	--
428,513	39,799	86,834,116	(1,092,226)
3,599,705	2,725,990	831,857,310	7,263,365
$ 4,028,218	$ 2,765,789	$ 918,691,426	$ 6,171,139

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	New Jersey Environmental Infrastructure Trust	New Jersey Health Care Facilities Financing Authority	New Jersey Housing and Mortgage Finance Agency
Expenses	$ 51,203,677	$ 3,228,000	$ 171,966,000
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	4,690,113	4,013,000	28,367,000
Operating grants and contributions	51,828,333	119,000	217,689,000
Capital grants and contributions	--	--	--
Net (Expense) Revenue	5,314,769	904,000	74,090,000
General Revenue			
Payments from State	39,167,688	--	--
Total General Revenue	39,167,688	--	--
Change in Net Assets	44,482,457	904,000	74,090,000
Net Assets - Beginning of Year (Restated)	312,411,979	5,203,000	742,488,000
Net Assets - End of Year	$ 356,894,436	$ 6,107,000	$ 816,578,000

New Jersey Meadowlands Commission	New Jersey Redevelopment Authority	New Jersey Sports and Exposition Authority	New Jersey Water Supply Authority
$ 36,794,291	$ 2,387,383	$ 418,459,000	$ 24,371,703
22,076,456	2,461,171	347,220,000	25,385,658
19,879,082	--	6,615,000	2,163,704
25,215,964	--	20,445,000	--
30,377,211	73,788	(44,179,000)	3,177,659
2,895,000	--	30,174,000	--
2,895,000	--	30,174,000	--
33,272,211	73,788	(14,005,000)	3,177,659
51,382,555	55,876,937	96,336,000	97,407,337
$ 84,654,766	$ 55,950,725	$ 82,331,000	$ 100,584,996

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	South Jersey Port Corporation	South Jersey Transportation Authority	Total Non-Major Authorities
Expenses	$ 33,325,951	$ 87,557,422	$ 1,243,314,287
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	24,304,323	79,828,514	648,615,870
Operating grants and contributions	1,934,033	5,245,450	541,715,994
Capital grants and contributions	1,612,324	9,736,592	507,763,130
Net (Expense) Revenue	(5,475,271)	7,253,134	454,780,707
General Revenue			
Payments from State	8,897,657	--	177,215,857
Total General Revenue	8,897,657	--	177,215,857
Change in Net Assets	3,422,386	7,253,134	631,996,564
Net Assets - Beginning of Year (Restated)	39,107,668	333,970,922	3,537,729,030
Net Assets - End of Year	$ 42,530,054	$ 341,224,056	$ 4,169,725,594

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
JUNE 30, 2006

	The College of New Jersey	Thomas Edison State College
ASSETS		
Current Assets		
Cash and cash equivalents	$ 3,748,000	$ 899,186
Investments	173,569,000	40,258,428
Receivables, net of allowances for uncollectibles		
Federal government	465,000	182,445
Loans	4,305,000	--
Other	2,263,000	5,396,322
Due from external parties	--	--
Inventories	--	--
Other	10,621,000	829,630
Noncurrent Assets		
Fixed assets, net	467,780,000	33,303,078
Total Assets	662,751,000	80,869,089
LIABILITIES		
Current Liabilities		
Accounts payable	16,037,000	1,939,939
Due to external parties	4,000	102,558
Interest payable	2,285,000	--
Deferred revenue	3,877,000	7,032,127
Current portion of long-term obligations	6,595,000	1,260,559
Other	4,414,000	--
Noncurrent Liabilities		
Due in more than one year	337,515,000	1,374,810
Total Liabilities	370,727,000	11,709,993
NET ASSETS		
Invested in capital assets, net of related debt	238,013,000	31,729,824
Restricted for:		
Capital projects	--	--
Debt service	1,096,000	--
Other purposes	10,292,000	6,085,537
Unrestricted	42,623,000	31,343,735
Total Net Assets	$ 292,024,000	$ 69,159,096

Kean University	Montclair State University	New Jersey City University
$ 176,111,000	$ 6,452,045	$ --
27,897,000	117,324,340	55,224,842
1,125,000	435,130	811,629
1,830,000	3,737,980	566,563
--	8,171,037	6,156,606
8,385,000	--	--
--	--	--
7,332,000	9,322,359	4,170,389
171,351,000	396,547,298	173,334,183
394,031,000	541,990,189	240,264,212
9,915,000	19,746,778	9,029,264
--	--	--
5,157,000	6,050,209	1,173,185
7,111,000	10,090,553	1,593,003
6,696,000	9,882,140	5,679,636
262,000	644,198	--
211,354,000	270,005,987	124,574,474
240,495,000	316,419,865	142,049,562
68,013,000	127,888,813	60,251,947
1,089,000	--	--
12,063,000	16,169,000	5,700,890
14,120,000	36,302,577	7,884,654
58,251,000	45,209,934	24,377,159
$ 153,536,000	$ 225,570,324	$ 98,214,650

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS (Continued)
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
JUNE 30, 2006

	New Jersey Institute of Technology	The William Paterson University of New Jersey	Ramapo College of New Jersey
ASSETS			
Current Assets			
Cash and cash equivalents	$ 35,342,000	$ 11,182,369	$ 2,015,000
Investments	80,955,000	74,158,218	101,647,000
Receivables, net of allowances for uncollectibles			
Federal government	11,242,000	853,799	124,000
Loans	1,947,000	759,974	788,000
Other	10,494,000	4,620,967	2,349,000
Due from external parties	--	673,126	4,362,000
Inventories	--	--	--
Other	10,586,000	6,068,547	3,571,000
Noncurrent Assets			
Fixed assets, net	250,298,000	249,543,781	234,991,000
Total Assets	400,864,000	347,860,781	349,847,000
LIABILITIES			
Current Liabilities			
Accounts payable	6,488,000	12,041,892	17,244,000
Due to external parties	2,992,000	--	22,000
Interest payable	3,812,000	--	--
Deferred revenue	12,662,000	4,266,384	2,296,000
Current portion of long-term obligations	6,699,000	8,419,071	7,357,000
Other	669,000	--	--
Noncurrent Liabilities			
Due in more than one year	179,764,000	118,411,943	255,126,000
Total Liabilities	213,086,000	143,139,290	282,045,000
NET ASSETS			
Invested in capital assets, net of related debt	90,940,000	137,468,028	34,039,000
Restricted for:			
Capital projects	--	734,381	906,000
Debt service	--	13,821,912	6,521,000
Other purposes	54,625,000	11,384,666	11,997,000
Unrestricted	42,213,000	41,312,504	14,339,000
Total Net Assets	$ 187,778,000	$ 204,721,491	$ 67,802,000

Rowan University	The Richard Stockton College of New Jersey	Total Non-Major Colleges and Universities
$ 43,735,299	$ 2,307,853	$ 281,792,752
223,021,162	99,082,262	993,137,252
2,144,210	2,622,887	20,006,100
--	2,364,280	16,298,797
9,160,823	4,134,024	52,745,779
--	--	13,420,126
1,196,064	11,206	1,207,270
6,543,653	848,870	59,893,448
345,418,562	122,688,474	2,445,255,376
631,219,773	234,059,856	3,883,756,900
14,891,285	9,661,002	116,994,160
--	--	3,120,558
6,487,758	--	24,965,152
5,360,547	5,282,251	59,570,865
8,078,052	4,275,610	64,942,068
31,280	--	6,020,478
293,598,570	76,815,285	1,868,540,069
328,447,492	96,034,148	2,144,153,350
80,618,918	50,738,596	919,701,126
--	14,036,659	16,766,040
27,578,533	5,455,118	88,405,453
119,552,802	4,598,468	276,842,704
75,022,028	63,196,867	437,888,227
$ 302,772,281	$ 138,025,708	$ 1,739,603,550

STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	The College of New Jersey	Thomas Edison State College
Expenses	$ 156,007,000	$ 65,202,915
Net (Expense) Revenue and Changes in Net Assets		
Program Revenues		
Charges for services	80,689,000	21,205,640
Operating grants and contributiions	45,655,000	34,949,427
Capital grants and contributions	163,000	186,269
Net (Expense) Revenue	(29,500,000)	(8,861,579)
General Revenue		
Payments from State	37,977,000	11,091,000
Total General Revenue	37,977,000	11,091,000
Change in Net Assets	8,477,000	2,229,421
Net Assets - July 1, 2005 (Restated)	283,547,000	66,929,675
Net Assets - June 30, 2006	$ 292,024,000	$ 69,159,096

	Kean University	Montclair State University	New Jersey City University
	$ 172,661,000	$ 234,083,725	$ 116,687,124
	83,800,000	133,686,537	42,908,836
	63,267,000	61,476,284	41,788,638
	--	1,380,938	269,580
	(25,594,000)	(37,539,966)	(31,720,070)
	43,180,000	50,354,916	33,517,000
	43,180,000	50,354,916	33,517,000
	17,586,000	12,814,950	1,796,930
	135,950,000	212,755,374	96,417,720
	$ 153,536,000	$ 225,570,324	$ 98,214,650

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES (Continued)
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	New Jersey Institute of Technology	The William Paterson University of New Jersey	Ramapo College of New Jersey
Expenses	$ 212,127,000	$ 153,927,750	$ 104,062,000
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	71,694,000	86,423,084	57,200,000
Operating grants and contributiions	89,741,000	44,827,759	27,552,000
Capital grants and contributions	164,000	219,088	1,111,000
Net (Expense) Revenue	(50,528,000)	(22,457,819)	(18,199,000)
General Revenue			
Payments from State	51,512,000	42,085,000	21,417,000
Total General Revenue	51,512,000	42,085,000	21,417,000
Change in Net Assets	984,000	19,627,181	3,218,000
Net Assets - July 1, 2005 (Restated)	186,794,000	185,094,310	64,584,000
Net Assets - June 30, 2006	$ 187,778,000	$ 204,721,491	$ 67,802,000

Rowan University	The Richard Stockton College of New Jersey	Total Non-Major Colleges and Universities
$ 177,538,477	$ 116,058,964	$ 1,508,355,955
94,557,122	58,379,174	730,543,393
65,200,082	41,617,712	516,074,902
1,443,771	30,280	4,967,926
(16,337,502)	(16,031,798)	(256,769,734)
40,645,505	25,665,000	357,444,421
40,645,505	25,665,000	357,444,421
24,308,003	9,633,202	100,674,687
278,464,278	128,392,506	1,638,928,863
$ 302,772,281	$ 138,025,708	$ 1,739,603,550

Alcohol Education, Rehabilitation and Enforcement Fund (N.J.S.A. 54:32C)

Special Revenue Fund

Annual deposits of $11 million are made to this Fund from annual Alcohol Beverage Excise Tax collections. The monies collected shall be dedicated as follows: 75.0 percent to alcohol rehabilitation, 15.0 percent to enforcement, and 10.0 percent to education. Additionally, a $40 fee paid by persons convicted of operating a motor vehicle under the influence of intoxicating liquor or drugs are deposited into this Fund to be used for the screening, evaluation, education, and referral of persons who have been convicted of driving while intoxicated.

Alternate Benefit Long-Term Disability Fund

Pension Trust Fund

The Fund is employer-funded for long-term disability. Benefits are paid to those members of the Alternate Benefit Programs Fund who have been disabled for two years or more since October 1, 1986.

Alternate Benefit Program Fund (N.J.S.A. 18A:66-167 et seq.)

Agency Fund

The Alternate Benefit Program was established for full-time faculty members of public institutions of higher education. At its inception, all eligible faculty members were permitted to transfer their interests in State retirement systems to this program. Participants have the option to provide for their pensions through fixed or variable annuities purchased through various carriers as provided for in P.L. 1995, c.92. The minimum contribution by employees is 50 percent of their base salary, with the State contributing an amount equivalent to 8.0 percent of their base salary. Almost immediate vesting is available to those participating in the Alternate Benefit Program.

Atlantic City Parking Fees Fund (P.L. 1993, c.159)

Special Revenue Fund

A $3 parking fee per diem is imposed for each vehicle parked, garaged, or stored in any casino hotel parking space. One half of the revenue collected is to be made available to the Casino Reinvestment Development Authority. The remaining one half is deposited into the Casino Revenue Fund.

Atlantic City Projects-Room Fund (P.L. 2001, c.221)

Special Revenue Fund

The Atlantic City Projects-Room Fund facilitates the development of entertainment-retail projects in specified districts located within Atlantic City and to promote the revitalization of other urban areas throughout the State. Room Fund revenue is comprised of Tourism Promotion Fee receipts limited to annual Luxury Tax receipts that exceed the pre-determined baseline amount for a given district. Project Fund revenue is comprised of Sales Tax receipts received from the entertainment-retail vendors within each district project.

Atlantic City Tourism Promotion Fund (P.L. 1991, c.376)

Special Revenue Fund

This Fund accounts for revenues collected for fees of $2 per day for each occupied room in any hotel providing casino gaming and $1 per day for each occupied room in any other hotel in the eligible municipality. The revenues are collected, certified, and distributed on a monthly basis to the Atlantic City Convention and Visitors Authority. Amounts expended are solely for the purpose of promoting tourism, conventions, resorts, and casino gaming.

Beaches and Harbor Fund (P.L. 1977, c.208)

Special Revenue Fund

An amount of $30 million of General Obligation bonds was authorized to research, plan, acquire, develop, construct, and maintain beaches and harbors.

Board of Bar Examiners (R. 1:27B1)

Special Revenue Fund

This Fund was established for the purposes of drafting bar essay examination questions, reviewing applications, and preparing, administering, and grading bar examinations. Revenues are generated by payments made by candidates for admission to the Bar of the State of New Jersey. Revenues include examination fees, late fee charges, certificates of good standing, license name changes, and copying fees.

Boarding House Rental Assistance Fund (N.J.S.A. 55:14K-14)

Special Revenue Fund

This Fund finances life safety improvement loans by the New Jersey Housing and Mortgage Finance Agency for the benefit of residents of boarding homes; and to provide a source of repayment for such life safety improvement loans.

Body Armor Replacement Fund (P.L. 1997, c.177)

Special Revenue Fund

This Fund is a repository for monies used exclusively for the purchase of body vests for law enforcement officers and correction officers.

Capital City Redevelopment Loan and Grant Fund (P.L. 1987, c.58)

Special Revenue Fund

This Fund was established for the redevelopment and revitalization of the City of Trenton. The State has established the Capital City Redevelopment Corporation to operate within the boundaries of the Trenton district, which plans, coordinates, and promotes the public and private development of that district in a manner that enhances the Trenton area's vitality as a place of commerce, recreation, and culture and as an area which to conduct public business and visit historic sites.

Casino Control Fund (N.J.S.A. 5:12-143)

Special Revenue Fund

This Fund accounts for fees from the issuance and annual renewal of casino licenses, work permit fees, and other license fees. Appropriations fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

Casino Revenue Fund (N.J.S.A. 5:12-145)

Special Revenue Fund

This Fund accounts for the tax on gross revenues generated by the casinos. Gross revenue refers to the total of all sums actually received by a licensee from gaming operations, less the total sums paid out as winnings to patrons and a deduction for uncollectible gaming receivables. Other taxes and fees deposited into this Fund are the Casino Net Income Tax, Casino Complimentary Tax, Casino Room Fee, Progressive Slot Tax, and a portion of the Casino Parking Fee. Appropriations from this Fund must be used for reductions in property taxes, utility charges, and other specified expenses of eligible senior citizens.

Casino Simulcasting Fund (P.L. 1992, c.19)

Special Revenue Fund

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this Fund and shall be used for services to benefit senior citizens.

Casino Simulcasting Special Fund (P.L. 1992, c.19)

Special Revenue Fund

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this Fund and shall be disbursed to the Atlantic City Racetrack, Atlantic City casinos conducting simulcasting, and for other miscellaneous purposes.

Catastrophic Illness in Children Relief Fund (P.L. 1987, c.370)

Special Revenue Fund

This Fund provides assistance to children and their families whose medical expenses due to a child's "catastrophic illness" extend beyond the families' available resources. Revenue is derived from a $1 annual surcharge per employee for all employers who are subject to the New Jersey Unemployment Compensation Law.

Central Pension Fund

Pension Trust Fund

This Fund administers a series of noncontributory pension acts. No reserves are established for the payment of retirement benefits. These benefits are funded on a pay-as-you-go basis in accordance with the governing statute and the rules and regulations of the State House Commission.

Clean Communities Account Fund (P.L. 1985, c.533)

Special Revenue Fund

A user fee on sales of litter-generating products is credited to the Clean Communities Account Fund. Twenty-five percent of the annual amount credited to the Fund, but not more than $4 million per year, is appropriated to the State Recycling Fund to provide recycling grants to municipalities and counties for local recycling programs. The balance of money credited to the Fund is used to provide grants to eligible municipalities for programs of litter pickup and removal; and is also used for a State program of litter pickup and removal and of enforcement of litter-related laws.

Clean Energy Fund (P.L. 1999, c.23)

Special Revenue Fund

This Fund accounts for revenues collected from a "societal benefit charge" on monthly utility bills. Funds generated from this charge are used to support clean energy initiatives.

Clean Waters Fund (P.L. 1976, c.92)

Special Revenue Fund

An amount of $120 million of General Obligation bonds was authorized to research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities.

Consolidated Police and Firemen's Pension Fund (N.J.S.A. 43:16)

Pension Trust Fund

This Fund was established to place 212 local police and firemen pension funds on an actuarial basis. The membership consists of policemen and firemen appointed prior to July 1, 1944. The liabilities of these local funds are shared: two-thirds by the participating counties and municipalities and one-third by the State.

Correctional Facilities Construction Fund (P.L. 1982, c.120)

Capital Projects Fund

An amount of $170 million of General Obligation bonds was authorized for construction of new medium security prisons, county assistance programs, and renovations and modifications to existing State facilities.

Correctional Facilities Construction Fund of 1987 (P.L. 1987, c.178)

Capital Projects Fund

An amount of $198 million of General Obligation bonds was authorized for the planning, erection, acquisition, improvement, construction, reconstruction, development, extension, rehabilitation, demolition, and equipment of State and county correctional facilities.

Cultural Centers and Historic Preservation Fund (P.L. 1987, c.265)

Special Revenue Fund

An amount of $100 million of General Obligation bonds was authorized for the purpose of financing the construction and development of cultural centers ($40 million); the restoration, repair, or rehabilitation of historic structures in the State ($25 million); and for the purpose of providing for grants and loans to assist municipalities, counties, and other units of local government to acquire and develop lands for recreation and conservation purposes ($35 million).

2003 Dam, Lake and Stream Project Revolving Loan Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of $110 million of General Obligation bonds was authorized to make low-interest loans to owners of dams, lakes or stream, or private lake associations for dam restoration and repair projects, lake dredging and restoration projects, or stream cleaning and desnagging projects.

2003 Dam, Lake, Stream and Flood Control Project Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of $40 million of General Obligation bonds was authorized to provide assistance, other than full or matching grants, to owners of dams, lakes or streams, or private lake associations for dam restoration and repair projects, lake dredging and restoration projects, or stream cleaning and desnagging projects, and for State flood control projects or State dam restoration and repair projects.

1992 Dam Restoration and Clean Waters Trust Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of $20 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland, and Historic Preservation Bond Act of 1992 to finance dam restoration and inland water projects and loans.

Dental Local Government Employers Program Fund (N.J.S.A. 52:14-17.29)

Proprietary Fund

This program helps meet the dental expenses for eligible employees and their dependents. There are two separate benefit types available. The Dental Expense Program (DEP) is a self-insured indemnity plan. Included are full coverage of eligible diagnostic and preventive services and substantial benefits for covered restorative services. There is an annual benefit maximum of $3,000. A separate lifetime maximum of $1,000 applies to orthodontic services for children. The DEP also has a "discount network" of providers who have contracts with the insurance carrier which reduces the cost of services to the employee and to the program. In addition to the DEP, there are several Dental Plan Organizations participating in the State program. Similar to HMOs for health care, these organizations pay for benefits rendered by contracted providers. The dental plans are offered to local employees whose employers have elected to participate in the State Dental Program.

Dental State Employees Program Fund (N.J.S.A. 52:14-17.29)

Special Revenue Fund

This program helps meet the dental expenses for eligible employees and their dependents. Although the cost sharing is subject to bargaining contracts, at this time all State employees use the same rule: the State pays for at least one-half of the cost of coverage. There are two separate benefit types available. The Dental Expense Program (DEP) is a self-insured indemnity plan. Included are full coverage of eligible diagnostic and preventive services and substantial benefits for covered restorative services. There is an annual benefit maximum of $3,000. A separate lifetime maximum of $1,000 applies to orthodontic services for children. The DEP also has a "discount network" of providers who have contracts with the insurance carrier which reduces the cost of services to the employee and to the program. In addition to the DEP, there are several Dental Plan Organizations participating in the State program. Similar to HMOs for health care, these organizations pay for benefits rendered by contracted providers. The dental plans are available to employees of the State of New Jersey, including employees of certain independent agencies, such as the State colleges and universities.

1989 Development Potential Bank Transfer Fund (P.L. 1989, c.183)

Special Revenue Fund

An amount of $20 million of General Obligation bonds was authorized to provide for the acquisition and development rights of land by the State for recreation and conservation purposes.

Developmental Disabilities Waiting List Reduction Fund (P.L. 1994, c.108)

Special Revenue Fund

An amount of $160 million of General Obligation bonds was authorized for the purpose of planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of community based residential facilities for clients on the New Jersey Department of Human Services' Developmental Disabilities Waiting List.

Disciplinary Oversight Committee (R. 1:20-2)

Special Revenue Fund

This Fund was established for the purpose of performing random audits of the books and records of New Jersey attorneys for compliance with standards established by the Supreme Court of New Jersey. Revenues are generated from annual attorney assessments paid by bar members.

Division of Motor Vehicles Surcharge Fund (P.L. 1994, c.57)

Special Revenue Fund

The Fund is comprised of revenues from surcharges and interest for payment to the New Jersey Economic Development Authority's Market Transition Facility Revenue Fund to pay principal and interest on the Market Transition Facility bonds. Excess funds are available for transfer to the State's General Fund.

Dredging and Containment Facility Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of $185 million of General Obligation bonds was authorized for the construction of subaqueous pits, the construction of containment facilities, projects related to the decontamination of dredged materials, and dredging projects. Additionally, an amount of $20 million of General Obligation bond proceeds was authorized for the purpose of dredging navigation channels located in the port region.

Drinking Water State Revolving Fund (P.L. 1998, c.84)

Special Revenue Fund

This Fund is the depository for the receipt of federal capitalization grants and other funds made available to the State for drinking water projects and set-asides pursuant to the Federal Safe Drinking Water Act.

1996 Economic Development Site Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of $20 million of General Obligation bonds was authorized for the purchase of real property, equipment, and any building, construction, and miscellaneous site improvements associated with an economic development site.

Emergency Flood Control Fund (P.L. 1978, c.78)

Special Revenue Fund

An amount of $25 million of General Obligation bonds was authorized to acquire, develop, construct, and maintain flood control facilities and for the development of a comprehensive flood control master plan.

Emergency Medical Technician Training Fund (P.L. 1992, c.143)

Special Revenue Fund

This Fund was established to annually reimburse any private agency, organization, or entity which is certified by the Commissioner of Health and Senior Services to provide training and testing for volunteer ambulance, first aid, and rescue squad personnel who are seeking emergency medical tech-ambulance and defibrillation intermediate, or who are taking refresher courses or recertification for which that entity is not otherwise reimbursed.

Emergency Services Fund (N.J.S.A. 52:14E-5)

Special Revenue Fund

This Fund reimburses municipalities or counties for damage or excess costs as a result of an emergency. Payments must be certified by the Governor's Advisory Council and approved by the Governor.

Energy Conservation Fund (P.L. 1980, c.68)

Capital Projects Fund

Of the $50 million of General Obligation bonds that was authorized, $3 million is appropriated for energy audits and $47 million is appropriated for energy-saving renovations to educational facilities, institutions, and public buildings of the State.

Enterprise Zone Assistance Fund (P.L. 1983, c.303)

Special Revenue Fund

The purpose of this Fund is to provide relief in certain areas of economic distress, by reducing sales and use tax paid by one half of the current tax rate. The revenues generated in these zones are made available to the municipalities located within the Urban Enterprise Zones for various approved revitalization projects.

1996 Environmental Cleanup Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of $70 million of General Obligation bonds was authorized to provide for the remediation of hazardous discharge sites and for the construction of water supply facilities to replace potable water supplies determined to be contaminated or threatened by discharge.

1989 Farmland Preservation Fund (P.L. 1989, c.183)

Special Revenue Fund

An amount of $50 million of General Obligation bonds was authorized for the purpose of the preservation of farmland for agricultural use and production.

1992 Farmland Preservation Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of $50 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of the preservation of farmland for agricultural use and production.

1995 Farmland Preservation Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of $50 million was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of farmland preservation and agricultural use.

Fund for Support of Free Public Schools (N.J.S.A. 18A:56-1)

Special Revenue Fund

The Fund consists of proceeds from the sale of riparian lands, rents received on leased riparian State lands, licenses and fees related to such lands, and the income from earnings on investments. The income is appropriated by the Annual Appropriations Act for the support of free public schools. The income of the Fund is then transferred to the General Fund in support of such appropriations.

The Fund provides for the establishment of a school bond reserve. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1.5 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 10 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations.

Garden State Farmland Preservation Trust Fund (P.L. 1999, c.152)

Special Revenue Fund

The Garden State Farmland Preservation Trust Fund was authorized for the preservation of farmland for agricultural use and production. It receives funding from the Garden State Preservation Trust.

Garden State Green Acres Preservation Trust Fund (P.L. 1999, c.152)

Special Revenue Fund

The Garden State Green Acres Preservation Trust Fund was authorized for the acquisition and development of lands by the State for recreation and conservation purposes. It receives funding from the Garden State Preservation Trust.

Garden State Historic Preservation Trust Fund (P.L. 1999, c.152)

Special Revenue Fund

The Garden State Historic Preservation Trust Fund was authorized for the work relating to the conservation, improvement, repair, restoration, or stabilization of historic property. It receives funding from the Garden State Preservation Trust.

Garden State Preservation Trust (P.L. 1999, c.152)

Special Revenue Fund

The Trust was created to provide funding to the Garden State Farmland Preservation Trust Fund, the Garden State Green Acres Preservation Trust Fund, and the Garden State Historic Preservation Trust Fund for the preservation of open space, farmland and historic properties within the means provided by the 1998 constitutional amendment which dedicated $98 million annually in Sales and Use Tax revenues for such purposes. In 2003, voters approved a new constitutional amendment, P.L. 2004, c.126 that granted the Garden State Preservation Trust the authorization to issue up to $1.15 billion in bonds.

General Fund

This Fund accounts for all State revenues not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this Fund. The Appropriations Act enacted by the State Legislature provides the basic framework for the operations of the General Fund.

Green Trust Fund (P.L. 1983, c.354)

Special Revenue Fund

An amount of $83 million of General Obligation bonds was authorized from the 1983 New Jersey Green Acres Fund for the purpose of making loans and grants to local government units for the acquisition and development of lands for recreation and conservation.

Gubernatorial Elections Fund (N.J.S.A. 54A:9-25.1)

Special Revenue Fund

This Fund accounts for receipts from the one-dollar designation on New Jersey Gross Income Tax returns. When indicated by the taxpayer, one dollar of the tax is reserved from gross income tax revenues (Property Tax Relief Fund) and credited to the Gubernatorial Elections Fund. These funds are available for appropriation pursuant to The New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

Hazardous Discharge Fund of 1981 (P.L. 1981, c.275)

Special Revenue Fund

An amount of $100 million of General Obligation bonds was authorized for the identification, cleanup, and removal of hazardous discharges.

Hazardous Discharge Fund of 1986 (P.L. 1986, c.113)

Special Revenue Fund

An amount of $200 million of General Obligation bonds was authorized for the purpose of financing the cost of identification, cleanup, and removal of hazardous discharges.

Hazardous Discharge Site Cleanup Fund (P.L. 1985, c.247)

Special Revenue Fund

This Fund was established for the purposes of preparing feasibility studies, engineering designs, and undertaking other work necessary to the cleanup or mitigation of hazardous discharge sites in the State. An amount of $100 million was appropriated from the Hazardous Discharge Fund of 1981.

Health Benefits Local Government Employers Program Fund (N.J.S.A. 52:14-17.25 et seq.)

Proprietary Fund

This program provides basic health services for employees of local governments. Employees may enroll in a traditional, point of service (NJ PLUS), or health maintenance organization (HMO) plan. The traditional coverage includes basic and extended hospital benefits, medical-surgical benefits, and major medical benefits but generally does not include preventive or wellness care. An HMO provides employees with complete coverage including wellness and preventive care for medical services provided by affiliated physicians and hospitals. NJ PLUS is a point of service plan and combines managed care with the option of reimbursement for services performed by out of network physicians, hospitals, or laboratories. An employee or dependent is required to pay a co-payment when visiting an HMO or NJ PLUS affiliated physician.

Health Benefits State Employees Program Fund (N.J.S.A. 52:14-17.25 et seq.)

Special Revenue Fund

This program provides basic health services for employees of the State of New Jersey, including employees of certain independent agencies, such as the State colleges and universities. Employees may enroll in a traditional, point of service (NJ PLUS), or health maintenance organization (HMO) plan. Active State employees pay a share of the charge for coverage based upon bargaining agreements. The traditional coverage includes basic and extended hospital benefits, medical-surgical benefits, and major medical benefits but generally does not include preventive or wellness care. The traditional coverage is not available to certain employees based upon bargaining agreements. Active State employees pay 25 percent of the charge for traditional coverage. An HMO provides employees with complete coverage including wellness and preventive care for medical services provided by affiliated physicians and hospitals. An active State employee pays 5 percent of the cost of HMO coverage. NJ PLUS is a point of service plan and combines managed care with the option of reimbursement for services performed by out of network physicians, hospitals, or laboratories. An active State employee pays nothing towards the cost of NJ Plus coverage. An employee or dependent is required to pay a co-payment when visiting an HMO or NJ PLUS affiliated physician.

Health Care Subsidy Fund (P.L. 1992, c.160)

Special Revenue Fund

This Fund is comprised of revenues from employee and employer contributions, cigarette and tobacco taxes, hospital assessments, interest, and penalties. Monies in the Fund shall be used to distribute charity and other uncompensated care disproportionate share payments to hospitals; provide subsidies for the New Jersey Kid Care program; and provide financial assistance for hospitals, other health care initiatives, and hospital bond assistance.

Higher Education Facility Renovation and Rehabilitation Fund (P.L. 1990, c.126)

Special Revenue Fund

The sum of $45 million of General Obligation bonds was appropriated from the Jobs, Education and Competitiveness Fund for the renovation and rehabilitation of existing higher education buildings at various State colleges and universities.

1992 Historic Preservation Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of $25 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State matching grants to assist State agencies or entities, local government units, and qualifying tax exempt nonprofit organizations to meet the historic preservation project cost for historic properties, structures, facilities, or sites owned or leased on a long-term basis by those agencies, entities, units, or organizations.

1995 Historic Preservation Fund (P.L. 1995, c.204)

Special Revenue Fund

The purpose of this Fund is to provide matching grants to assist State agencies or entities, local government units, and qualified tax-exempt nonprofit organizations to meet historic preservation project costs.

Historic Preservation Revolving Loan Fund (P.L. 1991, c.41)

Special Revenue Fund

There was appropriated $3 million to the Historic Preservation Revolving Loan Fund for the purpose of making low interest loans to counties, municipalities, or tax exempt non-profit organizations to finance the costs of acquiring, restoring, repairing, or rehabilitating historic structures.

Horse Racing Injury Compensation Fund (P.L. 1995, c.329)

Special Revenue Fund

The purpose of this Fund is to provide workers' compensation coverage to employees in the thoroughbred and standardbred horse racing industries. The costs of providing coverage shall be funded from assessments to both the thoroughbred and standardbred industries based on their respective experience rating.

Housing Assistance Fund (P.L. 1968, c.127)

Special Revenue Fund

An amount of $12.5 million was authorized for interest rate subsidies on contracts and agreements with qualified mortgagors and mortgagees of housing developments to decrease rental and carrying charges to low and moderate income occupants of such housing, and to provide financial assistance to qualified housing developments that were constructed, financed, or rehabilitated under federal law and moderate income financing programs.

Human Services Facilities Construction Fund (P.L. 1984, c.157)

Capital Projects Fund

An amount of $60 million of General Obligation bonds was authorized for the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of human services facilities.

Insurance Annuity Trust Fund (Superior Court of New Jersey, Law Division, Morris County Docket No. L-081390-83)

Private Purpose Trust Fund

This Fund was established to account for deposits made by Western National Life Insurance Company or its assignees on behalf of the State of New Jersey resulting from a lawsuit filed against the State.

Jobs, Education and Competitiveness Fund (P.L. 1988, c.78)

Special Revenue Fund

An amount of $350 million of General Obligation bonds was authorized for the construction, reconstruction, development, extension, improvement, and equipment of classrooms, academic buildings, libraries, computer facilities, and other higher education buildings at New Jersey's public and private institutions of higher education; the establishment and construction of advanced technology centers at public and private institutions of higher education; and for the expansion and construction of additional facilities at, and acquisition of additional and upgraded equipment for, existing advanced technology centers sponsored by the New Jersey Commission on Science and Technology.

Jobs, Science and Technology Fund (P.L. 1984, c.99)

Special Revenue Fund

An amount of $90 million of General Obligation bonds was authorized for the establishment and construction of a network of advanced technology centers at public and private institutions of higher education; providing for the construction and improvement of technical and engineering facilities and for high technology job training and retraining programs at public and private institutions of higher education.

Judicial Retirement System (N.J.S.A. 43:6A)

Pension Trust Fund

This system provides pension benefits to members of the State Judiciary. The system is maintained on an actuarial reserve basis.

Judiciary Bail Fund (R.3:26)

Agency Fund

The purpose of this Fund is to serve as a repository for the collection of bail, the return of bail to the surety, and the remittance of associated revenues to the proper governmental agency.

Judiciary Child Support and Paternity Fund (Social Security Act, Title IV-D, as amended)

Agency Fund

The purpose of this Fund is to serve as a repository for the collection of child support obligations and the subsequent remittance to the proper recipients.

Judiciary Probation Fund (N.J.S.A. 2C:46-4)

Agency Fund

The purpose of this Fund is to serve as a repository for the collection and disbursement of court imposed financial obligations associated with the statewide probation function.

Judiciary Special Civil Fund (R.6)

Agency Fund

The purpose of this Fund is to serve as a repository for the collection and disbursement of funds collected by the Special Civil Part of the Superior Court of New Jersey.

Korean Veterans' Memorial Fund (P.L. 1996, c.72)

Special Revenue Fund

The Korean Veterans' Memorial Fund is credited with funds collected by the Korean Veterans' Memorial Committee. The purpose of this Fund is to provide maintenance of a memorial located in Atlantic City honoring the veterans of the Korean War.

1996 Lake Restoration Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of $5 million of General Obligation bonds was authorized for the removal of sand, silt, mud, sediment, rocks, stumps, vegetation, algae blooms, or other materials from lakes, or the abatement and control of pollution caused by storm water runoff, soil erosion, or other types of non-point source or point source pollution.

Lead Hazard Control Assistance Fund (P.L. 2003, c.311)

Special Revenue Fund

This Fund was established for the purpose of providing grants or loans to eligible homeowners to make their homes lead-safe. Funds are received from various sources, including a $20 fee assessed to homeowners of multiple dwelling units, a portion of the Sales and Use Tax generated on the sale of paint, and the Catastrophic Illness in Children Relief Fund.

Legal Services Fund (P.L. 1996, c.52)

Special Revenue Fund

Revenues generated from the increase in certain filing fees in civil actions are credited to the Fund and are used to provide legal services to the poor in civil matters, funding for ten Superior Court judgeships, and support to Rutgers-Newark Law School, Rutgers-Camden Law School, and Seton Hall Law School for clinical programs which provide free legal representation to the poor.

Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a (B))

Agency Fund

This Fund was established for the deposit of Luxury Tax revenues in excess of statutory requirements. Development funds are dedicated for various housing projects in Atlantic City.

Luxury Tax Fund (N.J.S.A. 40:48-8.30a (B), (P.L. 1991, c.375)

Special Revenue Fund

This Fund accounts for revenues collected under the provisions of the Luxury Tax Fund Act. The Act amends existing statutes wherein Atlantic City imposes a tax on certain sales and services. A portion of these tax revenues are dedicated to the payment of debt service on bonds issued for the construction of Convention Hall facilities, to subsidize Convention Center operating budget deficits, and to provide housing opportunities for low and moderate income families.

Medical Malpractice Liability Insurance Premium Assistance Fund (P.L. 2004, c.17)

Special Revenue Fund

This Fund was established to provide medical malpractice liability insurance premium relief to certain health care providers who have experienced or are experiencing a liability insurance premium increase in an amount established by regulation by the Department of Banking and Insurance. Revenues in the fund are generated from a $3 per employee surcharge on those businesses who are subject to the "unemployment compensation law" and an annual $75 assessment of certain health care professionals and attorneys. The Fund is set to expire on June 30, 2007.

Mortgage Assistance Fund (P.L. 1976, c.94)

Special Revenue Fund

An amount of $25 million of General Obligation bonds was authorized for mortgage assistance and to spur construction, rehabilitation, and maintenance of housing for senior citizens and families of low and moderate income, and to provide funds for second mortgages and for a neighborhood preservation program.

Motor Vehicle Commission Fund (P.L. 2003, c.13)

Capital Projects Fund

The Motor Vehicle Security and Customer Service Act created the Motor Vehicle Commission Fund which authorized the issuance of $160 million in installment obligation bonds. An amount of $10 million was transferred to the Administrative Office of the Courts for improvements to the automated traffic system, while the remainder was for the payment of the costs of capital improvements for Motor Vehicle Commission facilities, including but not limited to building improvements, and the acquisition and installation of furniture, fixtures, machinery, computers and electronic equipment.

Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)

Private Purpose Trust Fund

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death and/or property damage, are recorded in this Fund. The deposits may be disbursed in satisfaction of judgments rendered or returned to the motorist upon release of liability.

Municipal Landfill Closure and Remediation Fund (P.L. 1996, c.124)

Special Revenue Fund

This Fund is dedicated for the purpose of reimbursing a developer who enters into a redevelopment agreement related to the closure, remediation, and redevelopment of municipal landfill sites and is certified for reimbursement in accordance with the provisions of the law. Costs of the closure and remediation of the municipal solid waste landfill may be eligible for a 75.0 percent reimbursement upon the commencement of a business operation within a redevelopment project. The reimbursements are made from designated Sales and Use Tax collections.

Natural Resources Fund (P.L. 1980, c.70)

Special Revenue Fund

An amount of $145 million of General Obligation bonds was authorized to fund state and local projects for resource recovery, sewage treatment, water supply, dam restoration, and harbor clean-up projects.

New Home Warranty Security Fund (N.J.S.A. 46:3B-7)

Special Revenue Fund

Monies received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited in this Fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund (P.L. 1989, c.180)

Capital Projects Fund

An amount of $115 million of General Obligation bonds was authorized for the purposes of rehabilitating and improving bridges in the State and the preservation and acquisition of railroad rights-of-way.

New Jersey Building Authority (N.J.S.A. 52:18A-78.4)

Special Revenue Fund

The New Jersey Building Authority is authorized to construct and rehabilitate office buildings and related facilities for use by State agencies. The Authority is authorized to issue bonds and notes to provide funds for the construction and the rehabilitation of the above related projects. Debt service on outstanding bonds is paid through lease agreements with the State.

1995 New Jersey Coastal Blue Acres Trust Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of $15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of providing State grants and loans to assist local government units to meet the coastal blue acres cost of acquiring, for recreation and conservation purposes, lands in the coastal area that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or may buffer or protect other lands from such damage.

New Jersey Cultural Trust Fund (P.L. 2000, c.76)

Special Revenue Fund

The Annual Appropriations Act provides funding to a dedicated non-lapsing account in the General Fund. The State Treasurer shall transfer to the trust fund from this account an amount equal to donations made to the Cultural Trust Fund subject to the availability of monies in the dedicated account. Interest or other monies earned on the deposits made to the Fund shall be used for assisting in the funding of capital facilities projects and endowment development, and contributing to the financial stability of qualified organizations in New Jersey.

1983 New Jersey Green Acres Fund (P.L. 1983, c.354)

Special Revenue Fund

An amount of $135 million of General Obligation bonds was authorized for public acquisition and development of land for recreation and conservation purposes. Of this amount, $52 million has been allocated for the acquisition and development of land by the State. An amount of $83 million has been transferred to the Green Trust Fund for grants or loans to local governmental entities for acquisition or development of land.

1989 New Jersey Green Acres Fund (P.L. 1989, c.183)

Special Revenue Fund

An amount of $90 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for State grants to assist local governmental entities to acquire and develop land for recreation and conservation purposes.

1992 New Jersey Green Acres Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of $80 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of acquiring and developing land by the State for recreation and conservation purposes.

1995 New Jersey Green Acres Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of $115 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and the Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

1989 New Jersey Green Trust Fund (P.L. 1989, c.183)

Special Revenue Fund

An amount of $140 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for public acquisition and development of land for recreation and conservation purposes.

1992 New Jersey Green Trust Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of $120 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State grants and loans to assist local governmental entities to acquire and develop land for recreation and conservation.

1995 New Jersey Green Trust Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of $135 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

1995 New Jersey Inland Blue Acres Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of $15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of acquiring inland blue acres for recreation and conservation purposes and lands in the floodway of the Passaic River and its tributaries that have been damaged by, or may be prone to incurring damage caused by, storms or storm related flooding, or that may buffer or protect other lands from such damage.

New Jersey Insolvent Health Maintenance Organization Assistance Fund (P.L. 2000, c.12)

Special Revenue Fund

The purpose of this Fund is to protect, subject to certain limitations, covered individuals and providers against the failure or inability of HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. to perform certain contractual obligations due to their insolvency. An amount of $41.1 million from the Tobacco Settlement Fund as well as an aggregate amount not to exceed $50 million from HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. has been appropriated to this fund.

New Jersey Lawyers' Assistance Program (R. 1:28B)

Special Revenue Fund

This Fund provides assistance to members of the New Jersey Bar, law students, and law school graduates who have an alcohol, drug abuse, and/or gambling problems. Each nonexempt member of the Bar is required to pay $3 annually if in their second year of practice and $6 annually for attorneys in their third year to forty-ninth year.

New Jersey Lawyers' Fund for Client Protection (R. 1:28-7)

Special Revenue Fund

This Fund was established for the purpose of reimbursing, to the extent and in the manner provided by rules and regulations, losses resulting from dishonest conduct by members of the Bar of the State of New Jersey. Annual payments are made to this Fund by each member of the Bar of the State of New Jersey.

New Jersey Local Development Financing Fund (N.J.S.A. 34:1B-36)

Special Revenue Fund

An amount of $45 million of General Obligation bonds was authorized to capitalize the New Jersey Local Development Financing Fund. The Fund provides financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

New Jersey Racing Industry Special Fund (P.L. 2001, c.199)

Special Revenue Fund

The New Jersey Racing Industry Special Fund accounts for inactive or dormant wagering accounts, breakage and outstanding parimutual money exceeding required racing costs, and the excess takeout rate. Money deposited shall be disbursed monthly by the New Jersey Racing Commission primarily to those holding permits to conduct horse racing

New Jersey Schools Construction Corporation

Special Revenue Fund

Pursuant to Executive Order No. 24, the New Jersey Schools Construction Corporation ("Corporation") was created as a subsidiary of the New Jersey Economic Development Authority ("NJEDA"). The Corporation was formed as a separate activity apart from the NJEDA's mandated economic development mission for the purpose of establishing a more concentrated focus and streamlined approach to the timely and efficient construction of quality schools in New Jersey.

New Jersey Spill Compensation Fund (N.J.S.A. 58:10-23.11i)

Special Revenue Fund

Receipts from taxes and penalties levied upon each owner or operator of a major facility of hazardous substances are deposited in this Fund. The tax is measured by the number of barrels of hazardous substances of the first transfer to the major facility. Payments may be authorized for clean-up costs, removal costs, research, and payments of approved claims.

New Jersey Spinal Cord Research Fund (P.L. 1999, c.201)

Special Revenue Fund

A $1 surcharge on motor vehicle fines and penalties are credited to this Fund. Money collected shall be used exclusively for the purpose of making grants for approved spinal cord research projects at qualified research institutions.

New Jersey State Employees' Deferred Compensation Plan (N.J.S.A. 52:18A-164)

Pension Trust Fund

This Fund represents the activity of the deferred compensation plan by which amounts contributed by participating employees are invested through various investment options. Included in the Fund are those amounts contributed by participants through payroll withholding, plus investment earnings and appreciation in asset values related to those monies.

New Jersey Transportation Trust Fund Authority (N.J.S.A. 27:1B-4)

Special Revenue Fund

The New Jersey Transportation Trust Fund Authority was created to provide the payment for and financing of all, or a portion of, the costs incurred by the Department of Transportation and the New Jersey Transit Corporation for the planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of the State's transportation system.

New Jersey Workforce Development Partnership Fund (P.L. 1992, c.44)

Special Revenue Fund

This Fund was established to provide qualified displaced, disadvantaged, and employed workers with employment and training services most likely to provide the greatest opportunity for long range career advancement with high levels of productivity and earning power. The program shall provide those services by means of training grants or customized training services, provided the funding is not available from federal or other sources. Beginning January 1, 1993, each worker and employer shall contribute to the fund an amount equal to 0.025 percent of the workers' wages. These funds will reduce contributions to the Unemployment Compensation Fund.

Pension Adjustment Fund (N.J.S.A. 43:3B)

Agency Fund

The Fund covers all eligible pensioners of the State-administered retirement systems. This Fund provides cost-of-living allowances for retirees of the pension trust funds. The statutes provide that payments are contingent upon annual appropriation by the State Legislature. The Pension Adjustment Fund is funded on a pay-as-you-go basis.

Petroleum Overcharge Reimbursement Fund (P.L. 1987, c.231)

Special Revenue Fund

The Petroleum Overcharge Reimbursement Fund accounts for monies received by the State from the Federal government pursuant to court settlements with various petroleum companies and distributors as payments for overcharges for petroleum products. Appropriations are made from the Fund for energy efficiency and conservation programs.

Pinelands Infrastructure Trust Fund (P.L. 1985, c.302)

Special Revenue Fund

An amount of $30 million of General Obligation bonds was authorized for the purpose of providing grants and loans to local governmental entities for transportation, wastewater treatment, water supply, and other infrastructure capital projects necessary to accommodate development in the pinelands area.

Police and Firemen's Retirement System (N.J.S.A. 43:16A)

Pension Trust Fund

All police and firemen, appointed after June 1944 in municipalities where local police and firemen pension funds existed or where this system was adopted by referendum or resolution, are required to become members of this system. Certain State and county employees are also covered. Employer obligations are paid by the local employers and the State. This Fund is maintained on an actuarial reserve basis.

Pollution Prevention Fund (P.L. 1991, c.235)

Special Revenue Fund

The purpose of this Fund is the implementation of a comprehensive pollution prevention program which integrates the air pollution, water pollution, and hazardous waste management programs. The Fund shall be credited with fees imposed upon employers and collected by the New Jersey Department of Labor.

Prescription Drug Local Government Employers Program Fund (N.J.S.A. 52:14-17.29)

Proprietary Fund

This program helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes, or other institutions. Included are those drugs, which, as required by Federal law, can be dispensed only upon a written prescription ordered by a physician. The program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment charge for each eligible prescription and prescription refill. This plan is provided to local employees whose employers have elected to participate in the State Prescription Drug Program.

Prescription Drug State Employees Program Fund (N.J.S.A. 52:14-17.29)

Special Revenue Fund

This program helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes, or other institutions. Included are those drugs, which, as required by Federal law, can be dispensed only upon a written prescription ordered by a physician. The program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment charge for each eligible prescription and prescription refill. This plan is provided to employees of the State of New Jersey, including employees of certain independent agencies, such as the State colleges and universities.

Prison Officers' Pension Fund (N.J.S.A. 43:7)

Pension Trust Fund

This is a closed system for certain employees of State penal institutions and is funded on a pay-as-you-go basis.

Property Tax Relief Fund (N.J.S.A. 54A:9-25)

Special Revenue Fund

The Property Tax Relief Fund accounts for the revenues and constitutional dedications from the New Jersey Gross Income Tax. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the Fund, pursuant to formulas established by the State Legislature, to counties, municipalities, and school districts.

Public Employees' Retirement System (N.J.S.A. 43:15A)

Pension Trust Fund

Most public employees in New Jersey, not required to become members of another contributory retirement program, are required to enroll in this system. The retirement benefits of this system are coordinated, but not integrated, with Social Security. This Fund is maintained on an actuarial reserve basis.

Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c.184)

Capital Projects Fund

An amount of $125 million of General Obligation bonds was authorized for the purpose of the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and the equipping of State and community-based human services facilities and State correctional facilities.

Public Purpose Buildings Construction Fund (P.L. 1980, c.119)

Capital Projects Fund

An amount of $159 million of General Obligation bonds was authorized for construction of public purpose buildings, including $50 million for facilities for the mentally retarded, $67 million for correctional facilities, $7 million for a veterans' long-term care facility, $3.5 million for facilities for children in need of supervision, and $21.5 million for facilities for the mentally ill. The Fund also provided $10 million to the Department of Human Services for the establishment of a loan guarantee fund to encourage the construction of long-term care facilities which will provide additional Medicaid beds.

Real Estate Guaranty Fund (N.J.S.A. 45:15-34)

Special Revenue Fund

Monies received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this Fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c.330)

Special Revenue Fund

An amount of $85 million of General Obligation bonds was authorized to provide funds for loans or grants to local government units for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

Resource Recovery Investment Tax Fund (P.L. 1985, c.38)

Agency Fund

Receipts generated by the investment tax and waste importation tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to counties based on statutory regulations.

Retail Margin Fund (P.L. 1999, c.23)

Special Revenue Fund

This fund accounts for revenues collected from a "retail margin charge" collected mostly from what are generally larger commercial and industrial utility customers. Funds generated from this charge are used to support Board initiatives related to the commercial and industrial-based customers.

Safe Drinking Water Fund (N.J.S.A. 58:12A-12)

Special Revenue Fund

This Fund accounts for tax revenues collected from owners or operators of public community water systems pursuant to the Safe Drinking Water Act. Monies in this Fund are subject to appropriation to the Department of Environmental Protection for all costs associated with the department's administration of programs set forth in the Act.

Sanitary Landfill Facility Contingency Fund (N.J.S.A. 13:1E-100)

Special Revenue Fund

Receipts from taxes and penalties levied upon each owner or operator of every sanitary landfill facility are deposited in this Fund. The tax is levied per cubic yard of solids and per gallon of liquids. The Fund shall be liable for all direct and indirect damages resulting from the operations or closure of any sanitary landfill.

Shore Protection Fund (P.L. 1983, c.356)

Special Revenue Fund

An amount of $50 million of General Obligation bonds was authorized for the purpose of State projects and the making of State grants and loans to counties and municipalities for researching, planning, acquiring, developing, constructing, and maintaining shore protection projects. Of the total available, $40 million was allocated for State shore protection projects and for State grants to counties and municipalities. The remaining $10 million was allocated for State loans to counties and municipalities.

Solid Waste Service Tax Fund (P.L. 1985, c.38)

Agency Fund

Receipts generated by the solid waste services tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to provide state aid to counties.

Special Transportation Fund (N.J.S.A. 27:1B-21)

Capital Projects Fund

This Fund was established in accordance with the enactment provisions of the New Jersey Transportation Trust Fund Authority. The Fund accounts for the receipt of resources from the New Jersey Transportation Trust Fund Authority and related federal grant awards, and the expenditure of these funds for authorized public transportation projects. The funds can only be expended by the Department of Transportation pursuant to appropriations or authorizations made by the State Legislature.

State Disability Benefit Fund (N.J.S.A. 43:21-46a)

Special Revenue Fund

Deposits from contributions of workers and employers who are subject to the contribution section on taxable wages under the unemployment compensation law of the State are recorded in the Fund. Deposits are also made from special assessments, fines, penalties, and investment earnings. Payments from the Fund may be made to persons entitled to disability benefits and benefits not covered by the Workers' Compensation Law, for authorized refunds of contributions, and for administrative expenses.

State Facilities for Handicapped Fund (P.L. 1973, c.149)

Capital Projects Fund

An amount of $25 million of General Obligation bonds was authorized for the expansion and renovation of the Marie H. Katzenbach School for the Deaf and for the planning, acquisition, improvements, and construction of regional day-school facilities to educate children with severe handicaps.

State Land Acquisition and Development Fund (P.L. 1978, c.118)

Special Revenue Fund

An amount of $200 million of General Obligation bonds was authorized for State and local acquisition and development to continue efforts to conserve open space and provide recreation areas. Half of the amount is allocated to urban areas.

State Lottery Fund (N.J.S.A. 5:9-21)

Proprietary Fund

Monies derived from the sale of State lottery tickets are deposited into this Fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. Remaining balances are paid to the General Fund in support of the amounts annually appropriated for State institutions and for education. The present value of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this Fund.

State of New Jersey Cash Management Fund-External Portion (N.J.S.A. 52:18A-90.4)

Investment Trust Fund

This Fund serves as an investment pool to consolidate monies for municipalities, counties, school districts, and any other public body corporate or politic.

State Police Retirement System (N.J.S.A. 53:5A)

Pension Trust Fund

This system is the State Police Retirement and Benevolent Fund's successor. All uniformed officers and troopers of the Division of State Police in the New Jersey Department of Law and Public Safety are required to enroll. This system is maintained on an actuarial reserve basis.

State Recreation and Conservation Land Acquisition and Development Fund (P.L. 1974, c.102)

Special Revenue Fund

An amount of $200 million of General Obligation bonds was authorized to enable the State to acquire and develop land and to provide for State grants to assist municipalities, counties, and other units of local government to acquire and develop land for recreation and conservation purposes.

State Recycling Fund (N.J.S.A. 12:1E-92)

Special Revenue Fund

P.L. 2002, c.128 requires that 25.0 percent of the balance in the Clean Communities Account Fund, but not more than $4 million per year, is appropriated to this Fund in order to provide recycling grants to municipalities and counties for local recycling programs.

1999 Statewide Transportation and Local Bridge Fund (P.L. 1999, c.181)

Capital Projects Fund

An amount of $500 million of General Obligation bonds was authorized for the purpose of rehabilitating and improving State transportation, including local bridges. Of this sum, $250 million was reserved for grants to county and municipal governments for the cost of rehabilitation and improvement of structurally deficient bridges carrying county or municipal roads including railroad overhead bridges. The remaining $250 million is reserved for transportation projects.

Stormwater Management and Combined Sewer Overflow Abatement Fund (P.L. 1989, c.181)

Special Revenue Fund

An amount of $50 million of General Obligation bonds was authorized for the purpose of providing grants and loans to local government units for the costs of projects identified pursuant to the stormwater management and combined sewer overflow abatement project priority list.

Superior Court of New Jersey Trust Fund (R. 4:57-2 to 5)

Special Revenue Fund

This Fund accounts for monies representing deposits made in court as a result of litigation, including foreclosures, condemnations, liquidations, dissolutions, good faith deposits by liability insurers, sale of infants' lands, insolvencies, receiverships, and interpleaders.

Supplemental Annuity Collective Trust (N.J.S.A. 52:18A-110)

Pension Trust Fund

Any active, contributing member of the seven State-administered retirement systems may enroll in this program. Members agree to make voluntary additional contributions through their pension funds to purchase variable retirement annuities in order to supplement the benefits provided by their basic system. Some employers agree to purchase tax-sheltered annuities for the same purpose for certain eligible public employees.

Supplemental Workforce Fund for Basic Skills (PL 2002, c.152)

Special Revenue Fund

The monies in this Fund shall be used for the basic skills training; reemployment services, and training programs for displaced disadvantaged workers. Each worker shall contribute 0.0175 percent of their wages to the Fund as determined by paragraph (3) of subsection (b) of R.S. 43:21-7.

Teachers' Pension and Annuity Fund (N.J.S.A. 18A-66)

Pension Trust Fund

Most employees in every school district in the State and in the county vocational schools, as well as certain employees in the State Department of Education, are members of this system. The system of retirement benefits is coordinated, but not integrated, with Social Security. The Fund is maintained on an actuarial reserve basis.

Tobacco Settlement Financing Corporation, Inc. (P.L. 2002, c.32)

Special Revenue Fund

The Tobacco Settlement Financing Corporation, Inc. has been established in, but not of, the Department of the Treasury. In Fiscal Year 2003 the State sold to the corporation all of its rights, title, and interest in, and the right to receive the amounts payable under the 1998 Master Settlement Agreement reached between 46 states and the major tobacco companies. The Corporation generated $3.46 billion in Tobacco Settlement Asset-Backed Bonds to pay for New Jersey's rightful share under the Master Settlement Agreement.

Tobacco Settlement Fund

Special Revenue Fund

Payments received from the Master Settlement Agreement (MSA), dated November 23, 1998, are deposited into this Fund. The MSA is the national settlement reached with the tobacco industry in which participating states will be paid in perpetuity. During Fiscal Year 2003, the State sold its rights of future installments acquired via the MSA to the Tobacco Settlement Financing Corporation, Inc. for $2.8 billion plus any interest accrued on monies held in escrow.

Tourism Improvement and Development Fund (P.L. 1992, c.165)

Special Revenue Fund

This Fund was established for the deposit of tax revenues collected from predominantly tourism related sales, such as the occupancy of every hotel room subject to tax and receipts from the sale of food or drink, except those sold through vending machines. These funds are to be used to fund tourism facility improvements without placing the onus on the permanent residents and businesses.

Transportation Rehabilitation and Improvement Fund (P.L. 1979, c.165)

Capital Projects Fund

An amount of $475 million of General Obligation bonds was authorized to provide an improved transportation system for the State. Of this amount, $150 million was reserved for the improvement of public transportation facilities, $80 million was reserved for the improvement of county and municipal roads, and $245 million was reserved for the improvement of State highways.

Trial Attorney Certification Program (R. 1:39-1 (h)

Special Revenue Fund

This Fund was established to assist the New Jersey Supreme Court in the administration of the certification function for civil or criminal trial attorneys.

Unclaimed Child Support Trust Fund (P.L. 1995, c.115)

Special Revenue Fund

All monies received, as abandoned child support shall be deposited into this Fund. Each year, within 45 days of the receipt of such funds, payments shall be made to the Judiciary consisting of the Federal Government's Title IV-D share. The remaining portions shall be used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

Unclaimed County Deposits Trust Fund (P.L. 1992, c.173)

Private Purpose Trust Fund

All monies received as unclaimed county deposits shall be deposited in the Fund. Each year 75 percent of the deposits received from a respective county shall be paid to that county. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

Unclaimed Insurance Payments on Deposit Accounts Fund

Private Purpose Trust Fund

The Unclaimed Deposits Amendment Act of 1993 (UDAA) controls the disposition of unclaimed insurance payments on deposit accounts for insured depository institutions which are placed into receivership after July 28, 1993. Pursuant to the UDAA, unclaimed insurance deposits are placed into this Fund and held for ten years. Payments will be made to the owner upon determining that such individual or entity is the rightful owner of such funds. At the end of the ten-year period, any remaining deposits will be forwarded to the Federal Deposit Insurance Corporation.

Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)

Special Revenue Fund

All monies received in unclaimed property deposits from electric and gas utilities are deposited into this Fund. Each year, unless the administrator deems it prudent and advisable to do otherwise, the administrator shall pay to the New Jersey Statewide Heating Assistance and Referral for Energy Services, a non-profit corporation, or to another statewide non-profit energy assistance organization designated by the Board of Public Utilities within 45 days of the receipt of such funds, 75.0 percent of the unclaimed utility deposits received from each of the electric and gas utilities by the administrator. Money received from the administrator shall be used exclusively for the payment of expenses associated with the restoration of electric or gas service, or to prevent the termination of electric or gas service. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed.

Unemployment Compensation Auxiliary Fund (N.J.S.A. 43:21-14g)

Special Revenue Fund

Amounts collected as penalties and interest assessed against employers who have failed to make payment of contributions required under the Unemployment Compensation Law to the State on a timely basis are deposited in this Fund. Payments from the Fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of programs which generate employment, such as the Work Incentive Program, authorized training programs, and economic development activities.

Unemployment Compensation Fund (N.J.S.A. 43:21-9a)

Proprietary Fund

This Fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the Federal government, and amounts received herein from any other source.

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-needed basis, whereby amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by Federal statutes, which authorize advances from the Federal government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the Fund assets at any time by the Governor.

Universal Services Fund (P.L. 1999, c.23)

Special Revenue Fund

Monies deposited into this Fund are generated from a "societal benefit charge" on monthly utility bills. The funds generated from the charge support the Lifeline program, clean energy initiatives and provide financial assistance to low income utility customers.

University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund

(N.J.S.A. 52:18A-1 et seq.)

Special Revenue Fund

This Fund was established by a trust agreement between the State and the University of Medicine and Dentistry to cover malpractice claims against the hospitals and the University. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders.

Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)

Special Revenue Fund

An amount of $20 million of General Obligation bonds was authorized to provide financing for the demolition and disposal of unsafe buildings in urban and rural centers.

Vietnam Veterans' Memorial Fund (P.L. 1985, c.494)

Special Revenue Fund

This Fund receives monies from donations and income tax designations to fund the Vietnam Veterans' Memorial honoring New Jersey veterans of the Vietnam conflict.

Volunteer Emergency Service Organizations Loan Fund (P.L. 1987, c.8)

Special Revenue Fund

The purpose of this Fund is to provide low-interest loans to volunteer emergency service organizations for the purpose of modernizing or replacing outmoded or unsafe emergency vehicles, apparatus, equipment, or facilities, or to establish facilities to meet an increasing demand for a higher level of service in the communities in which they serve.

Wage and Hour Trust Fund (N.J.S.A. 34:11-57)

Agency Fund

The Wage and Hour Trust Fund consists of four agency accounts which are used to collect wage settlements from employers who are deemed to have violated one or more, of the various components of the New Jersey Wage and Hour Law; and, to disburse the funds collected to employees who are entitled to receive the wages.

Wastewater Treatment Fund (P.L. 1985, c.329)

Special Revenue Fund

An amount of $190 million of General Obligation bonds was authorized for the purpose of financing the cost of construction of wastewater treatment systems. Of the total amount authorized, $145 million is allocated for the purpose of making grants and low or zero interest loans to local government units for financing the cost of the construction of wastewater treatment systems. In addition, this fund is the depository for the receipt of federal capitalization grants made available to the State for the purpose of financing wastewater treatment systems.

1992 Wastewater Treatment Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of $45 million was authorized for the purpose of making zero interest loans to local governmental entities for wastewater treatment system projects, in order to bring such systems into full compliance with permits issued pursuant to the Water Pollution Control Act; to provide adequate wastewater treatment in areas where large numbers of septic systems have malfunctioned or become obsolete; or to connect an obsolete or malfunctioning wastewater treatment system to another wastewater treatment system.

Water Conservation Fund (P.L. 1969, c.127)

Special Revenue Fund

An amount of $271 million of General Obligation bonds was authorized to conduct research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities for the preservation, sale, or exchange of water for potable, industrial, commercial, irrigational, recreational, and other public purposes.

2003 Water Resources and Wastewater Treatment Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of $45 million of General Obligation bonds was authorized to provide loans to, or on behalf of, local governmental entities or public water utilities to finance the costs of water resources projects or to make improvements to water supply facilities, or to provide loans to, or on behalf of, local governmental entities to finance the costs of wastewater treatment system projects.

2003 Water Resources and Wastewater Treatment Trust Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of $5 million of General Obligation bonds was authorized to establish reserve accounts to secure debt issued by the New Jersey Environmental Infrastructure Trust and loan guarantee accounts to secure debt issued by a local government unit. Monies in the reserve and loan guarantee accounts may be made available to the New Jersey Department of Environmental Protection, with the concurrence of the New Jersey Environmental Infrastructure Trust, for temporary use by the department in implementing the provisions of the Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003.

Water Supply Fund (P.L. 1981, c.261)

Special Revenue Fund

An amount of $350 million of General Obligation bonds was authorized to provide loans for State or local projects for the rehabilitation, repair, or consolidation of antiquated, damaged, or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan.

Water Supply Replacement Trust Fund (P.L. 1988, c.106)

Special Revenue Fund

This Fund provides loans to municipalities or municipally owned public water systems for the purpose of providing a permanent alternate water supply to persons whose principal source of potable water is contaminated or is threatened with contamination by hazardous substances.

Worker and Community Right to Know Fund (N.J.S.A. 34:5A-1)

Special Revenue Fund

This Fund was established to account for all fees collected from employers pursuant to the Worker and Community Right to Know Act. Monies in the Fund are allocated for expenses incurred by the Department of Health and Senior Services, Department of Environmental Protection, Department of Labor and Workforce Development, and the Department of the Treasury in connection with the Act's provisions.

Workers' Compensation Security Fund (P.L. 2004, c.179)

Special Revenue Fund

Monies received from assessments levied against mutual and stock insurance carriers writing workers' compensation insurance in the State are deposited into this Fund. Payments are made to persons entitled to receive workers' compensation when a mutual or stock carrier is determined to be insolvent.

STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF CHANGES IN GROSS CAPITAL ASSETS BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Balance July 1, 2005*	Additions	Deductions	Transfers/ Adjustments**	Balance June 30, 2006
FUNCTION:					
Public safety and criminal justice	$ 1,065,867,683	$ 98,832,202	$ 24,194,055	$ 409,210,751	$ 1,549,716,581
Physical and mental health	394,668,787	3,864,664	12,406,942	(160,165,928)	225,960,581
Educational, cultural, and intellectual development	179,067,563	40,106,757	1,371,969	76,524,420	294,326,771
Community development and environmental management	1,888,564,453	151,088,268	930,634	67,209,785	2,105,931,872
Economic planning, development, and security	61,456,935	6,973,697	4,161,729	23,153,247	87,422,150
Transportation programs	15,780,937,588	825,942,489	10,268,302	(12,768,263)	16,583,843,512
Government direction, management, and control	1,076,595,067	62,163,487	32,656,522	(521,136,253)	584,965,779
Special government services	6,923,660	3,328,551	558,303	132,250,854	141,944,762
Construction in progress	1,987,087,556	929,608,489	555,500,805	--	2,361,195,240
Total Gross Capital Assets By Function	$ 22,441,169,292	$ 2,121,908,604	$ 642,049,261	$ 14,278,613	$ 23,935,307,248

* The opening balance has been restated by $227,808,788 to reflect revised land amounts.

** Transfers/Adjustments represent a revaluation and reclassification of capital leases among statewide functions combined with an increase in buildings and improvements resulting from a physical inventory performed in 2006.

STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF GROSS CAPITAL ASSETS BY FUNCTION
JUNE 30, 2006

	Land	Land Improvements	Buildings and Improvements
FUNCTION:			
Public safety and criminal justice	$ 22,234,704	$ 75,683,174	$ 1,353,278,345
Physical and mental health	264,072	6,263,196	205,544,541
Educational, cultural, and intellectual development	10,143,499	2,430,527	243,174,205
Community development and environmental management	1,841,506,185	20,299,825	228,729,526
Economic planning, development, and security	695	--	85,222,943
Transportation programs	2,106,382,591	1,890,150	184,825,292
Government direction, management, and control	12,510,359	25,996,344	481,844,620
Special government services	2,317,731	3,389,508	134,613,732
Construction in progress	--	--	--
Total Gross Capital Assets By Function	$ 3,995,359,836	$ 135,952,724	$ 2,917,233,204

Machinery and Equipment	Infrastructure	Construction in Progress	Total
$ 78,586,246	$ 19,934,112	$ --	$ 1,549,716,581
13,888,772	--	--	225,960,581
36,217,540	2,361,000	--	294,326,771
15,396,336	--	--	2,105,931,872
2,198,512	--	--	87,422,150
110,577,816	14,180,167,663	--	16,583,843,512
64,614,456	--	--	584,965,779
1,623,791	--	--	141,944,762
68,421,154	1,879,911,314	412,862,772	2,361,195,240
$ 391,524,623	$ 16,082,374,089	$ 412,862,772	$ 23,935,307,248

STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF CHANGES IN ACCUMULATED DEPRECIATION BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Balance July 1, 2005	Depreciation Expense	Disposals	Transfers/ Adjustments*	Balance June 30, 2006
FUNCTION:					
Public safety and criminal justice	$ 519,829,232	$ 46,148,190	$ 4,068,115	$ 209,726,538	$ 771,635,845
Physical and mental health	245,779,700	6,095,588	89,179	(132,579,068)	119,207,041
Educational, cultural, and intellectual development	65,115,673	7,974,498	602,680	96,279,435	168,766,926
Community development and environmental management	103,524,650	9,521,895	106,550	9,707,296	122,647,291
Economic planning, development, and security	38,880,165	9,347,222	466,391	11,687,609	59,448,605
Transportation programs	5,109,423,005	370,747,625	1,505,944	77,498,303	5,556,162,989
Government direction, management, and control	504,178,986	22,329,329	3,631,831	(273,710,713)	249,165,771
Special government services	512,977	4,263,390	7,300	61,775,928	66,544,995
Total Accumulated Depreciation By Function	$ 6,587,244,388	$ 476,427,737	$ 10,477,990	$ 60,385,328	$ 7,113,579,463

* Transfers/Adjustments represent a revaluation and reclassification of capital leases among statewide functions combined with an increase in buildings and improvements resulting from a physical inventory performed in 2006.

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
SCHEDULE OF LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	General Obligation Bonds	
	Amount Authorized	Amount Unissued
Bonded Debt		
General Obligation Bond Act		
Clean Waters	$ 120,000,000	$ 5,000,000
Community Development	85,000,000	--
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	200,000,000	200,000,000
Developmental Disabilities Waiting List Reduction and Human Services Facilities Construction	160,000,000	5,000,000
Energy Conservation	50,000,000	1,600,000
Green Acres, Cultural Centers and Historic Preservation	100,000,000	9,000,000
Green Acres, Farmland and Historic Preservation, and Blue Acres	340,000,000	25,500,000
Hazardous Discharge	100,000,000	43,000,000
Hazardous Discharge	200,000,000	48,000,000
Jobs, Education and Competitiveness	350,000,000	--
Natural Resources	145,000,000	9,600,000
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation	115,000,000	--
New Jersey Green Acres	135,000,000	14,500,000
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	345,000,000	26,780,000
New Jersey Human Services Facilities Construction	60,000,000	--
New Jersey Open Space Preservation	300,000,000	26,000,000
New Jersey Transportation Rehabilitation and Improvement	475,000,000	--
Pinelands Infrastructure Trust	30,000,000	8,000,000
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	300,000,000	199,000,000
Public Purpose Buildings and Community-Based Facilities Construction	125,000,000	5,000,000
Refunding Bonds	5,220,479,598	--
Resource Recovery and Solid Waste Disposal Facility	85,000,000	--
Shore Protection	50,000,000	--
State Land Acquisition and Development	200,000,000	1,500,000
State Recreation and Conservation Land Acquisition and Development	200,000,000	--
Statewide Transportation and Local Bridge	500,000,000	--
Stormwater Management and Combined Sewer Overflow Abatement	50,000,000	21,500,000
Urban and Rural Centers Unsafe Buildings Demolition	20,000,000	--
Water Conservation	271,000,000	--
Water Supply	350,000,000	93,400,000
Subtotal General Obligation Bond Acts	**$** 10,681,479,598	$ 742,380,000
General Obligation Debt-Capital Appreciation Bonds Subject to Accretion		
Total General Obligation Bonds - Government-Wide Basis		
Revenue Bonds Payable		
Capital Leases		
Installment Obligations		
Certificates of Participation		
Unamortized Premium		
Tobacco Settlement Financing Corporation		
Unamortized Deferral on Refunding		
Unamortized Interest on Capital Appreciation Bonds		
Subtotal Bonded Debt		
Non-Bonded Debt		
Accumulated Sick and Vacation Payable		
Capital Leases		
Loans Payable		
Net Pension Obligation		
Other		
Subtotal Non-Bonded Debt		
Total Debt		

Year Authorized	Outstanding July 1, 2005	Issued	Retired	Outstanding June 30, 2006
1976	$ 442,000	$ --	$ 155,000	$ 287,000
1982	1,568,000	--	755,000	813,000
2003	--	--	--	--
1994	50,393,000	--	8,910,000	41,483,000
1980	1,075,000	--	310,000	765,000
1987	4,330,000	--	240,000	4,090,000
1995	106,020,000	--	12,095,000	93,925,000
1981	2,682,000	--	380,000	2,302,000
1986	50,481,000	--	9,360,000	41,121,000
1988	14,832,000	--	2,535,000	12,297,000
1980	25,442,000	--	7,405,000	18,037,000
1989	15,638,000	--	2,280,000	13,358,000
1983	340,000	--	155,000	185,000
1992	76,936,000	--	12,280,000	64,656,000
1984	228,000	--	-	228,000
1989	23,854,000	--	5,045,000	18,809,000
1979	761,000	--	--	761,000
1985	--	--	--	--
1996	52,110,000	--	730,000	51,380,000
1989	11,205,000	--	1,940,000	9,265,000
1985	2,378,245,124	203,280,000	82,360,321	2,499,164,803
1985	6,800,000	--	1,060,000	5,740,000
1983	51,000	--	-	51,000
1978	2,658,000	--	485,000	2,173,000
1974	152,000	--	--	152,000
1999	252,165,000	--	62,915,000	189,250,000
1989	5,295,000	--	1,340,000	3,955,000
1997	13,850,000	--	3,230,000	10,620,000
1969	2,542,000	--	1,105,000	1,437,000
1981	--	--	--	--
	3,100,095,124	203,280,000	217,070,321	3,086,304,803
	56,279,876	--	9,829,679	46,450,197
	3,156,375,000	203,280,000	226,900,000	3,132,755,000
	7,856,005,001	7,342,665,000	2,222,715,000	12,975,955,001
	130,340,000	186,565,000	8,330,000	308,575,000
	15,373,184,500	1,968,866,326	446,049,111	16,896,001,715
	66,147,588	27,267,859	32,856,361	60,559,086
	1,204,377,277	386,232,999	89,760,138	1,500,850,138
	3,280,155,493	--	31,575,927	3,248,579,566
	(533,007,694)	(118,137,888)	(46,576,033)	(604,569,549)
	(3,211,862,482)	(2,638,921,322)	(177,299,825)	(5,673,483,979)
	27,321,714,683	7,357,817,974	2,834,310,679	31,845,221,978
	488,913,389	278,051,186	248,404,034	518,560,541
	538,925,504	55,116,116	163,273,500	430,768,120
	1,279,358,087	--	--	1,279,358,087
	1,796,799,474	1,157,144,271	--	2,953,943,745
	397,545,330	417,733,493	397,545,330	417,733,493
	4,501,541,784	1,908,045,066	809,222,864	5,600,363,986
	$ 31,823,256,467	$ 9,265,863,040	$ 3,643,533,543	$ 37,445,585,964

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	CASINO CONTROL FUND			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	$ --	$ --	$ --	$ --
Licenses and fees	63,886,017	70,420,017	67,649,487	(2,770,530)
Investment earnings	300,000	450,000	400,263	(49,737)
Other	--	--	--	--
Total Revenues	64,186,017	70,870,017	68,049,750	(2,820,267)
OTHER FINANCING SOURCES				
Transfers from other funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
Total Revenues and Other Financing Sources	64,186,017	70,870,017	68,049,750	(2,820,267)
EXPENDITURES				
Public safety and criminal justice	40,660,864	42,660,864	42,346,363	314,501
Physical and mental health	--	--	--	--
Educational, cultural, and intellectual development	--	--	--	--
Economic planning, development, and security	--	--	--	--
Transportation programs	--	--	--	--
Government direction, management, and control	29,498,153	29,498,153	28,769,521	728,632
Special government services	--	--	--	--
Total Expenditures	70,159,017	72,159,017	71,115,884	1,043,133
OTHER FINANCING USES				
Transfers to other funds	--	--	--	--
Total Other Financing Uses	--	--	--	--
Total Expenditures and Other Financing Uses	70,159,017	72,159,017	71,115,884	1,043,133
Net change in fund balance	(5,973,000)	(1,289,000)	(3,066,134)	(1,777,134)
FUND BALANCES - JULY 1, 2005	5,973,000	1,289,048	1,289,048	--
FUND BALANCES- JUNE 30, 2006	$ --	$ 48	$ (1,777,086)	$ (1,777,134)

CASINO REVENUE FUND			
Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
$ 480,173,327	$ 499,102,000	$ 500,204,635	$ 1,102,635
--	--	--	--
512,000	1,125,000	1,396,924	271,924
165,476,429	165,664,742	165,627,643	(37,099)
646,161,756	665,891,742	667,229,202	1,337,460
800,000	700,014	675,178	(24,836)
800,000	700,014	675,178	(24,836)
646,961,756	666,591,756	667,904,380	1,312,624
--	--	--	--
577,561,754	598,599,151	599,851,218	(1,252,067)
32,516,000	31,856,592	32,424,054	(567,462)
2,440,000	2,390,518	2,440,000	(49,482)
34,352,002	33,655,361	34,352,000	(696,639)
--	--	--	--
92,000	90,134	92,000	(1,866)
646,961,756	666,591,756	669,159,272	(2,567,516)
--	--	--	--
--	--	--	--
646,961,756	666,591,756	669,159,272	(2,567,516)
--	--	(1,254,892)	(1,254,892)
--	--	--	--
$ --	$ --	$ (1,254,892)	$ (1,254,892)

(Continued on next page)

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE (Continued)
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	GUBERNATORIAL ELECTIONS FUND			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	$ --	$ --	$ --	$ --
Licenses and fees	--	--	--	--
Investment earnings	--	--	--	--
Other	700,000	700,000	500,767	(199,233)
Total Revenues	700,000	700,000	500,767	(199,233)
OTHER FINANCING SOURCES				
Transfers from other funds	--	1,325,000	1,264,286	(60,714)
Total Other Financing Sources	--	1,325,000	1,264,286	(60,714)
Total Revenues and Other Financing Sources	700,000	2,025,000	1,765,053	(259,947)
EXPENDITURES				
Public safety and criminal justice	1,025,000	2,025,000	1,057,853	967,147
Physical and mental health	--	--	--	--
Educational, cultural, and intellectual development	--	--	--	--
Economic planning, development, and security	--	--	--	--
Transportation programs	--	--	--	--
Government direction, management, and control	--	--	--	--
Special government services	--	--	--	--
Total Expenditures	1,025,000	2,025,000	1,057,853	967,147
OTHER FINANCING USES				
Transfers to other funds	--	--	729,747	(729,747)
Total Other Financing Uses	--	--	729,747	(729,747)
Total Expenditures and Other Financing Uses	1,025,000	2,025,000	1,787,600	237,400
Net change in fund balance	(325,000)	--	(22,547)	(22,547)
FUND BALANCES - JULY 1, 2005	325,000	--	--	--
FUND BALANCES- JUNE 30, 2006	$ --	$ --	$ (22,547)	$ (22,547)

TOTAL NON-MAJOR GOVERNMENTAL FUNDS

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
	$ 480,173,327	$ 499,102,000	$ 500,204,635	$ 1,102,635
	63,886,017	70,420,017	67,649,487	(2,770,530)
	812,000	1,575,000	1,797,187	222,187
	166,176,429	166,364,742	166,128,410	(236,332)
	711,047,773	737,461,759	735,779,719	(1,682,040)
	800,000	2,025,014	1,939,464	(85,550)
	800,000	2,025,014	1,939,464	(85,550)
	711,847,773	739,486,773	737,719,183	(1,767,590)
	41,685,864	44,685,864	43,404,216	1,281,648
	577,561,754	598,599,151	599,851,218	(1,252,067)
	32,516,000	31,856,592	32,424,054	(567,462)
	2,440,000	2,390,518	2,440,000	(49,482)
	34,352,002	33,655,361	34,352,000	(696,639)
	29,498,153	29,498,153	28,769,521	728,632
	92,000	90,134	92,000	(1,866)
	718,145,773	740,775,773	741,333,009	(557,236)
	--	--	729,747	(729,747)
	--	--	729,747	(729,747)
	718,145,773	740,775,773	742,062,756	(1,286,983)
	(6,298,000)	(1,289,000)	(4,343,573)	(3,054,573)
	6,298,000	1,289,048	1,289,048	--
	$ --	$ 48	$ (3,054,525)	$ (3,054,573)

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--NON-MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	Casino Control Fund	Casino Revenue Fund	Gubernatorial Elections Fund
Sources/inflows of resources:			
Total revenues and other financing sources--actual amounts (budgetary basis) from the budgetary comparison schedule	$68,049,750	$667,904,380	$1,765,053
Differences--budget to GAAP:			
No reconciling items.	--	--	--
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	$68,049,750	$667,904,380	$1,765,053
Uses/outflows of resources:			
Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule	$71,115,884	$669,159,272	$1,787,600
Differences--budget to GAAP:			
Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(453,880)	(33,367,644)	--
Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes.	1,364,435	25,811,784	(22,547)
Loans and travel advances are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(6,425)	--	--
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	6,425	--	--
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	$72,026,439	$661,603,412	$1,765,053

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
MAJOR TAXES				
Sales	$ 6,850,000,000	$ 6,853,417,869	100	$ 3,417,869
Corporation Business	2,402,000,000	3,007,830,476	125	605,830,476
Cigarette	626,000,000	632,599,472	101	6,599,472
Motor Fuels	575,000,000	550,908,041	95	(24,091,959)
Transfer Inheritance	500,000,000	610,847,697	122	110,847,697
Insurance Premium	473,000,000	512,044,373	108	39,044,373
Motor Vehicle Fees	294,320,000	284,083,888	96	(10,236,112)
Realty Transfer	430,000,000	459,742,894	106	29,742,894
Petroleum Products Gross Receipts	255,000,000	224,843,155	88	(30,156,845)
Corporation Banks and Financial Institutions	100,000,000	153,839,428	153	53,839,428
Alcoholic Beverage Excise	91,000,000	90,964,933	99	(35,067)
Tobacco Products Wholesale Sales	12,000,000	13,840,113	115	1,840,113
Public Utility Excise	9,000,000	10,931,381	121	1,931,381
Savings Institutions	--	21,909	--	21,909
TOTAL MAJOR TAXES	12,617,320,000	13,405,915,629	106	788,595,629
MISCELLANEOUS TAXES, FEES, REVENUES				
Executive Branch:				
Department of Agriculture:				
Fertilizer Inspection Fees	366,000	366,000	100	--
Miscellaneous Revenue	4,000	14,825	370	10,825
Total Department of Agriculture	370,000	380,825	102	10,825
Department of Banking and Insurance:				
Actuarial Services	54,000	126,142	233	72,142
Bank Assessments	3,700,000	2,973,836	80	(726,164)
Banking Examination Fees	2,300,000	2,181,744	94	(118,256)
Banking Licenses and Other Fees	7,200,000	8,044,420	111	844,420
FAIR Act Administration	15,000,000	20,984,868	139	5,984,868
Fraud Fines	2,000,000	1,578,843	78	(421,157)
Insurance Examination Billings	2,300,000	2,494,066	108	194,066
Insurance Fraud Prevention	34,000,000	30,577,554	89	(3,422,446)
Insurance Licenses and Other Fees	12,530,000	15,193,305	121	2,663,305
Insurance Special Purpose Assessment	16,500,000	13,787,445	83	(2,712,555)
Real Estate Commission	6,500,000	7,333,417	112	833,417
Total Department of Banking and Insurance	102,084,000	105,275,640	103	3,191,640

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Department of Community Affairs:				
Affordable Housing and Neighborhood Preservation Fair Housing	20,003,000	20,003,000	100	--
Construction Fees	12,766,000	12,766,000	100	--
Divorce Filing Fees	1,276,000	1,434,850	112	158,850
Fire Safety	15,039,000	15,039,000	100	--
Housing Inspection Fees	7,806,000	7,806,000	100	--
Miscellaneous Revenue	--	44	--	44
Planned Real Estate Development Fees	828,000	828,000	100	--
Total Department of Community Affairs	57,718,000	57,876,894	100	158,894
Department of Corrections:				
Miscellaneous Revenue	--	40,840	--	40,840
Violent Crimes - Administration	--	20	--	20
Total Department of Corrections	--	40,860	--	40,860
Department of Education:				
Audit Recoveries	775,000	512,326	66	(262,674)
Audit of Enrollments	1,000,000	1,156,380	115	156,380
Local School District Loan Recoveries-NJEDA	8,380,000	8,368,663	99	(11,337)
Nonpublic Schools Handicapped and Auxiliary Recoveries	--	12,456,649	--	12,456,649
Nonpublic Schools Textbook Recoveries	1,000,000	1,267,025	126	267,025
School Construction Inspection Fees	3,246,000	3,246,000	100	--
State Board of Examiners	3,125,000	4,706,152	150	1,581,152
Total Department of Education	17,526,000	31,713,195	180	14,187,195
Department of Environmental Protection:				
Air Pollution Fees	17,100,000	16,277,604	95	(822,396)
Air Pollution Fines	3,500,000	3,948,022	112	448,022
Air Toxics Surcharge	--	(809,956)	--	(809,956)
Clean Water Enforcement Act	2,300,000	2,049,791	89	(250,209)
Coastal Area Development Review Act	2,119,000	2,130,526	100	11,526
Endangered Species Tax Check-Off	235,000	194,141	82	(40,859)
Environmental Infrastructure Financing Program - Administrative Fee	5,000,000	5,000,000	100	--
Excess Diversion	283,000	240,431	84	(42,569)
Freshwater Wetlands Fees	3,225,000	3,580,035	111	355,035
Freshwater Wetlands Fines	300,000	269,633	89	(30,367)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Hazardous Waste Fees	2,580,000	2,456,193	95	(123,807)
Hazardous Waste Fines	400,000	951,005	237	551,005
Highlands Permitting	2,166,000	663,182	30	(1,502,818)
Hunters' and Anglers' Licenses	12,500,000	11,523,713	92	(976,287)
Industrial Site Recovery Act	1,000,000	645,427	64	(354,573)
Laboratory Certification Fees	780,000	755,848	96	(24,152)
Laboratory Certification Fines	20,000	11,622	58	(8,378)
Marina Rentals	885,000	885,000	100	--
Marine Lands - Preparation and Filing Fees	170,000	116,371	68	(53,629)
Medical Waste	4,150,000	4,206,578	101	56,578
Miscellaneous Revenue	11,000	--	--	(11,000)
New Jersey Pollutant Discharge Elimination System	12,100,000	11,781,872	97	(318,128)
Parks Management Fees and Permits	4,300,000	4,300,000	100	--
Parks Management Fines	160,000	168,183	105	8,183
Pesticide Control Fees	4,200,000	4,373,610	104	173,610
Pesticide Control Fines	50,000	169,285	338	119,285
Radiation Protection Fees	3,700,000	3,710,457	100	10,457
Radiation Protection Fines	88,000	104,100	118	16,100
Radon Testers Certification	240,000	252,659	105	12,659
Shellfish and Marine Fisheries	7,000	9,403	134	2,403
Solid and Hazardous Waste Disclosure	--	237,375	--	237,375
Solid Waste - Utility Regulation Assessments	3,100,000	3,100,000	100	--
Solid Waste Fines	700,000	1,048,698	149	348,698
Solid Waste Management Fees	8,212,000	8,905,452	108	693,452
Spring Meadow Golf Course	300,000	300,000	100	--
Stormwater Permits	4,800,000	4,800,000	100	--
Stream Encroachment	2,160,000	3,368,293	155	1,208,293
Toxic Catastrophe Prevention Fees	1,550,000	1,397,367	90	(152,633)
Toxic Catastrophe Prevention Fines	40,000	158,338	395	118,338
Treatment Works Approval	2,073,000	2,350,604	113	277,604
Underground Storage Tanks Fees	1,000,000	992,260	99	(7,740)
Water Allocation	2,050,000	2,050,000	100	--
Water Supply Management Regulations	1,390,000	1,712,630	123	322,630
Water/Wastewater Operators Licenses	215,000	209,725	97	(5,275)
Waterfront Development Fees	2,200,000	2,383,435	108	183,435
Waterfront Development Fines	10,000	17,250	172	7,250

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006 AMOUNT	REALIZED TO JUNE 30, 2006 PERCENT	REALIZATION OVER (UNDER) ANTICIPATION
Well Permits/Well Drillers/ Pump Installers Licenses	1,080,000	1,014,835	93	(65,165)
Wetlands	83,000	3,125	3	(79,875)
Worker Community Right to Know Fines	40,000	16,700	41	(23,300)
Total Department of Environmental Protection	114,572,000	114,030,822	99	(541,178)
Department of Health and Senior Services:				
Admission Charge Hospital Assessment	6,000,000	6,000,000	100	--
Health Care Reform	1,200,000	1,200,000	100	--
HMO Covered Lives	1,800,000	1,811,875	100	11,875
Licenses, Fines, Permits, Penalties and Fees	790,000	790,000	100	--
Miscellaneous Revenue	400,000	776,135	194	376,135
Total Department of Health and Senior Services	10,190,000	10,578,010	103	388,010
Department of Human Services:				
Child Care Licensing/Adoption Law	350,000	337,654	96	(12,346)
Early Periodic Screening, Diagnosis and Treatment	4,000,000	1,807,292	45	(2,192,708)
Marriage License Fees	1,450,000	1,177,610	81	(272,390)
Medicaid Uncompensated Care-Acute	286,955,000	280,367,220	97	(6,587,780)
Medicaid Uncompensated Care-Mental Health	33,055,000	34,456,641	104	1,401,641
Medicaid Uncompensated Care-Psychiatric	178,685,000	184,458,183	103	5,773,183
Medical Assistance-Federal Match on PAAD Medicaid Dual Eligibles	1,400,000	4,076,217	291	2,676,217
Miscellaneous Revenue	5,500,000	4,342,811	78	(1,157,189)
Patients' and Residents' Cost Recoveries - Developmental Disabliity	16,221,000	9,812,198	60	(6,408,802)
Patients' and Residents' Cost Recoveries - Psychiatric Hospitals	59,600,000	77,435,634	46	17,835,634
School Based Medicaid	7,126,000	21,341,459	299	14,215,459
Total Department of Human Services	594,342,000	619,612,919	104	25,270,919
Department of Labor:				
Miscellaneous Revenue	200,000	136,913	68	(63,087)
Special Compensation Fund	1,685,000	1,685,000	100	--
Workers' Compensation Assessment	12,130,000	12,130,000	100	--

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Workplace Standards - Licenses, Permits and Fines	2,820,000	2,820,000	100	--
Total Department of Labor	16,835,000	16,771,913	99	(63,087)
Department of Law and Public Safety:				
Authorities Recruit Class Reimbursement	2,500,000	--	--	(2,500,000)
Beverage Licenses	3,960,000	3,960,000	100	--
Division of Consumer Affairs:				
General Revenues:				
Charities Registration Section	695,000	695,000	100	--
Controlled Dangerous Substances	100,000	100,000	100	--
General Consumer Affairs	--	1,825	--	1,825
Legalized Games of Chance Control	1,200,000	1,200,000	100	--
Miscellaneous Revenue	400,000	--	--	(400,000)
New Jersey Cemetery Board	120,000	120,000	100	--
Private Employment Agencies	258,000	258,000	100	--
Weights and Measures - General	2,612,000	2,612,000	100	--
Professional Examining Board Fees:				
Architects	450,000	450,000	100	--
Audiology and Speech Language Pathology Advisory	270,000	270,000	100	--
Certified Psychoanalysts	50,000	--	--	(50,000)
Certified Public Accountants	1,425,000	1,425,000	100	--
Chiropractors	675,000	675,000	100	--
Cosmetology and Hairstyling	625,000	625,000	100	--
Dentistry	1,415,000	1,415,000	100	--
Electrical Contractors	1,200,000	1,200,000	100	--
Marriage Counselor Examiners	150,000	150,000	100	--
Master Plumbers	75,000	75,000	100	--
Medical Examiners	2,125,000	2,125,000	100	--
Mortuary Science	300,000	300,000	100	--
Nursing	3,750,000	3,750,000	100	--
Occupational Therapists and Assistants	375,000	375,000	100	--
Ophthalmic Dispensers and Ophthalmic Technicians	270,000	270,000	100	--
Optometrists	30,000	30,000	100	--
Orthotics and Prosthetics	31,000	6,889	22	(24,111)
Pharmacy	300,000	300,000	100	--

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Physical Therapy	600,000	600,000	100	--
Professional Engineers and Land Surveyors	1,050,000	1,050,000	100	--
Professional Planners	45,000	45,000	100	--
Psychological Examiners	75,000	75,000	100	--
Real Estate Appraisers	1,050,000	1,050,000	100	--
Respiratory Care	150,000	150,000	100	--
Shorthand Reporting	75,000	75,000	100	--
Social Workers	300,000	300,000	100	--
Veterinary Medical Examiners	60,000	60,000	100	--
Division of State Police:				
Fingerprint Fees	2,694,000	2,694,000	100	--
Other Licenses	230,000	303,016	131	73,016
Private Detective Licenses	220,000	220,000	100	--
EDA School Construction Recoveries	800,000	994,684	124	194,684
Miscellaneous Revenue	--	16,800	--	16,800
Pleasure Boat Licenses	3,000,000	2,454,851	81	(545,149)
Securities Enforcement	7,794,000	7,794,000	100	--
Victims of Crime Compensation	3,930,000	3,930,000	100	--
Total Department of Law and Public Safety	47,434,000	44,201,065	93	(3,232,935)
Department of Military and Veterans' Affairs:				
Soldiers' Homes	29,690,000	32,110,810	108	2,420,810
Total Department of Military and Veterans' Affairs	29,690,000	32,110,810	108	2,420,810
Department of State:				
Audit Recoveries	--	51,426	--	51,426
Miscellaneous Revenue	--	52,612	--	52,612
Total Department of State	--	104,038	--	104,038
Department of Transportation:				
Air Safety Fund	965,000	965,000	100	--
Applications and Highway Permits	1,300,000	1,300,000	100	--
Auto Body Repair Shop Licensing	18,000	49,680	276	31,680
Autonomous Transportation Authorities	2,500,000	2,291,667	91	(208,333)
Drunk Driving Fines	350,000	338,475	96	(11,525)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Good Driver	71,500,000	80,958,620	113	9,458,620
Graduated Driver's License	1,390,000	1,364,425	98	(25,575)
Heavy Duty Diesel Fines	450,000	530,121	117	80,121
Interest on Purchase of Right-of-Way	5,000	17,432	348	12,432
Logo Sign Program Fees	300,000	300,000	100	--
Miscellaneous Revenue	--	51,250	--	51,250
Motor Vehicle Database - Automated Access	50,000,000	48,731,867	97	(1,268,133)
Motor Vehicle Inspection Fund	76,700,000	80,346,677	104	3,646,677
Outdoor Advertising	6,740,000	8,512,073	126	1,772,073
Parking Offenses	410,000	467,565	111	57,565
Salvage Title Program	1,100,000	1,108,500	100	8,500
Special Plate Fees	750,000	849,884	113	99,884
Tow Truck Marker Fee	--	112,575	--	112,575
Uninsured Motorists Program	3,400,000	5,810,020	170	2,410,020
Total Department of Transportation	217,878,000	234,105,831	107	16,227,831
Department of the Treasury:				
Assessment on Houses Greater Than $1 Million	60,000,000	86,315,710	143	26,315,710
Assessments - Cable TV	4,341,000	4,443,000	102	102,000
Assessments - Public Utility	28,958,000	30,678,823	105	1,720,823
Asset Sales	200,000,000	--	--	(200,000,000)
Bond Refinancing Proceeds	150,000,000	--	--	(150,000,000)
Casino Fines	--	562,064	--	562,064
Coin Operated Telephones	3,400,000	3,983,991	117	583,991
Commercial Recording Expedited	2,853,000	2,853,000	100	--
Dormitory Safety Trust Fund - Debt Service Recovery	5,796,000	--	--	(5,796,000)
Enhanced Collections/Enforcement	113,000,000	--	--	(113,000,000)
Equipment Leasing Fund - Debt Service Recovery	4,642,000	5,103,099	109	461,099
Escrow Interest - Construction Accounts	26,000	82,348	316	56,348
General Revenue - Fees	38,500,000	47,226,570	122	8,726,570
Higher Education Capital Improvement Fund - Debt Service Recovery	12,237,000	--	--	(12,237,000)
Hotel/Motel Occupancy Tax	67,000,000	78,949,297	117	11,949,297
Investment Earnings	--	20,894,496	--	20,894,496
Miscellaneous Revenue	870,000	1,437,601	165	567,601
New Jersey Economic Development Authority	1,973,000	2,000,685	101	27,685
New Jersey Public Records Preservation	41,200,000	43,496,050	105	2,296,050

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Notary Commissions	1,200,000	1,878,482	156	678,482
Nuclear Emergency Response Assessment	4,139,000	5,233,000	126	1,094,000
ODS Mediation Fees	158,000	104,509	66	(53,491)
Public Defender Client Receipts	4,900,000	4,616,639	94	(283,361)
Public Utility - Customer Specific Tax	2,259,000	372,023	16	(1,886,977)
Public Utility Fines	3,000,000	1,328,025	44	(1,671,975)
Public Utility Gross Receipts and Franchise Taxes (Water/Sewer)	75,000,000	82,202,271	109	7,202,271
Railroad Tax:				
Class II	3,500,000	3,478,869	99	(21,131)
Franchise	590,000	1,257,669	213	667,669
Rate Payer Advocate	6,297,000	6,297,000	100	--
Simplified Sales Tax Implementation/Amnesty	40,000,000	--	--	(40,000,000)
Surplus Property	950,000	1,802,581	189	852,581
Tax Referral Cost Recovery Fee	6,700,000	5,995,578	89	(704,422)
Telephone Assessment	119,000,000	123,788,272	104	4,788,272
Tire Clean-Up Surcharge	9,000,000	9,970,498	110	970,498
Transitional Energy Facilities Assessment	235,000,000	253,975,061	108	18,975,061
Total Department of the Treasury	1,246,489,000	830,327,211	66	(416,161,789)
Other Sources:				
Miscellaneous Revenue	500,000	865,717	173	365,717
Total Other Sources	500,000	865,717	173	365,717
Inter-Departmental Accounts:				
Administration and Investment of Pension and Health Benefits Funds - Recoveries	49,500,000	50,638,832	102	1,138,832
Employee Maintenance Deductions	300,000	300,000	100	--
Fringe Benefit Recoveries from Colleges and Universities	120,500,000	141,949,638	117	21,449,638
Fringe Benefit Recoveries from Federal and Other Funds	201,500,000	214,597,620	106	13,097,620
Fringe Benefit Recoveries from School Districts	36,950,000	38,996,828	105	2,046,828
Indirect Cost Recoveries - DEP Other Funds	10,500,000	9,675,165	92	(824,835)
MTF Revenue Fund	79,500,000	87,434,336	109	7,934,336
Rent of State Building Space	1,900,000	1,975,296	103	75,296
Social Security Recoveries from Federal and Other Funds	56,000,000	59,296,795	105	3,296,795
Total Inter-Departmental Accounts	556,650,000	604,864,510	108	48,214,510

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Judicial Branch:				
Court Fees	66,670,000	62,308,808	93	(4,361,192)
Total Judicial Branch	66,670,000	62,308,808	93	(4,361,192)
TOTAL MISCELLANEOUS TAXES, FEES, REVENUES	3,078,948,000	2,765,169,068	89	(313,778,932)
INTERFUND TRANSFERS				
Beaches and Harbor Fund	15,000	22,553	150	7,553
Clean Waters Fund	10,000	--	--	(10,000)
Correctional Facilities Construction Fund	8,000	24,544	306	16,544
Correctional Facilities Construction Fund - 1987	9,000	51,702	574	42,702
Cultural Centers and Historic Preservation Fund	30,000	80,399	267	50,399
Dam, Lake, Stream and Flood Control Project Fund - 2003	150,000	--	--	(150,000)
Developmental Disabilities Waiting List Reduction Fund	205,000	846,937	413	641,937
Dredging and Containment Facility Fund	338,000	348,000	102	10,000
Emergency Flood Control Fund	5,000	14,533	290	9,533
Energy Conservation Fund	15,000	11,674	77	(3,326)
Enterprise Zone Assistance Fund	3,975,000	10,160,041	255	6,185,041
Fund for Support of Free Public Schools	1,680,000	4,098,584	243	2,418,584
Garden State Farmland Preservation Trust Fund	1,762,000	1,668,718	94	(93,282)
Garden State Green Acres Preservation Trust Fund	5,000,000	4,783,031	95	(216,969)
Garden State Historic Preservation Trust Fund	617,000	496,965	80	(120,035)
Hazardous Discharge Fund	3,000	7,693	256	4,693
Hazardous Discharge Site Cleanup Fund	14,638,000	16,592,497	113	1,954,497
Housing Assistance Fund	--	219,799	--	219,799
Human Services Facilities Construction Fund	--	2,573	--	2,573
Jobs, Education and Competitiveness Fund	27,000	257,628	954	230,628
Jobs, Science and Technology Fund	--	1,002	--	1,002
Judiciary Bail Fund	450,000	1,319,021	293	869,021
Judiciary Child Support and Paternity Fund	360,000	882,158	245	522,158
Judiciary Probation Fund	195,000	406,336	208	211,336

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Judiciary Special Civil Fund	40,000	104,504	261	64,504
Judiciary Superior Court Miscellaneous Fund	85,000	231,479	272	146,479
Legal Services Fund	10,410,000	10,077,150	96	(332,850)
Mortgage Assistance Fund	711,000	746,986	105	35,986
Motor Vehicle Security Responsibility Fund	3,000	10,012	333	7,012
Natural Resources Fund	28,000	141,963	507	113,963
New Home Warranty Security Fund	20,000,000	20,000,000	100	--
New Jersey Bridge Rehabilitation and Improvement Railroad Right-of-Way Preservation Fund	85,000	262,894	309	177,894
New Jersey Green Acres Fund - 1983	250,000	839,206	335	589,206
New Jersey Spill Compensation Fund	15,037,000	15,021,795	99	(15,205)
New Jersey Workforce Development Partnership Fund	17,159,000	13,456,885	78	(3,702,115)
Pollution Prevention Fund	1,803,000	1,570,402	87	(232,598)
Public Purpose Buildings and Community-Based Facilities Construction Fund	71,000	179,812	253	108,812
Public Purpose Bulidings Construction Fund	1,000	6,558	655	5,558
Resource Recovery Investment Tax Fund	--	342	--	342
Safe Drinking Water Fund	2,339,000	1,645,672	70	(693,328)
School Fund Investment Account	3,532,000	3,521,214	99	(10,786)
Shore Protection Fund	223,000	423,295	189	200,295
Solid Waste Service Tax Fund	2,000	9,134	456	7,134
Special Compensation Fund	5,000,000	--	--	(5,000,000)
State Disability Benefit Fund	26,685,000	20,769,258	77	(5,915,742)
State Land Acquisition and Development Fund	5,000	2,364	47	(2,636)
State Lottery Fund	820,000,000	844,155,935	102	24,155,935
State Lottery Fund - Administration	22,400,000	22,826,395	101	426,395
State of New Jersey Cash Management Fund	3,034,000	2,539,199	83	(494,801)
State Recreation and Conservation Land Acquisition and Development Fund	11,000	29,429	267	18,429
1999 Statewide Transportation and Local Bridge Fund	--	1,516,575	--	1,516,575
Supplemental Workforce Fund for Basic Skills	2,000,000	1,298,813	64	(701,187)
Tobacco Settlement Fund	12,416,000	12,481,855	100	65,855
Transportation Rehabilitation and Improvement Fund	6,000	10,156	169	4,156
Unclaimed Insurance Payments on Deposit Accounts Fund	27,000	--	--	(27,000)
Unclaimed Personal Property Trust Fund	269,075,000	289,075,000	107	20,000,000

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006 AMOUNT	REALIZED TO JUNE 30, 2006 PERCENT	REALIZATION OVER (UNDER) ANTICIPATION
Unclaimed Utility Deposits Trust Fund	23,000	191,482	832	168,482
Unemployment Compensation Auxiliary Fund	17,607,000	17,578,725	99	(28,275)
Universal Services Fund	72,468,000	72,468,000	100	--
Wage and Hour Trust Fund	75,000	92,308	123	17,308
Water Conservation Fund	17,000	38,162	224	21,162
Water Supply Fund	3,865,000	3,727,716	96	(137,284)
Worker and Community Right to Know Fund	3,543,000	3,183,643	89	(359,357)
TOTAL INTERFUND TRANSFERS	1,359,528,000	1,402,530,706	103	43,002,706
TOTAL REVENUES, GENERAL FUND	**$ 17,055,796,000**	**$ 17,573,615,403**	**103**	**$ 517,819,403**

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006 AMOUNT	REALIZED TO JUNE 30, 2006 PERCENT	REALIZATION OVER (UNDER) ANTICIPATION
License Fees	$ 63,012,000	$ 67,649,487	107	$ 4,637,487
Investment Income	300,000	400,263	133	100,263
TOTAL CASINO CONTROL FUND	**$ 63,312,000**	**$ 68,049,750**	**240**	**$ 4,737,750**

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006 AMOUNT	REALIZED TO JUNE 30, 2006 PERCENT	REALIZATION OVER (UNDER) ANTICIPATION
Gross Revenue Tax	$ 395,760,000	$ 413,340,153	104	$ 17,580,153
Casino Simulcasting Fund	800,000	675,178	84	(124,822)
Investment Income	512,000	1,396,924	272	884,924
Other Casino Taxes and Fees	84,239,000	86,884,713	103	2,645,713
TOTAL CASINO REVENUE FUND	**$ 481,311,000**	**$ 502,296,968**	**104**	**$ 20,985,968**

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GUBERNATORIAL ELECTIONS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006 AMOUNT	REALIZED TO JUNE 30, 2006 PERCENT	REALIZATION OVER (UNDER) ANTICIPATION
Taxpayers' Designations	$ 700,000	$ 500,768	71	$ (199,232)
TOTAL GUBERNATORIAL ELECTIONS FUND	**$ 700,000**	**$ 500,768**	**71**	**$ (199,232)**

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ANTICIPATED TO JUNE 30, 2006	REALIZED TO JUNE 30, 2006 AMOUNT	REALIZED TO JUNE 30, 2006 PERCENT	REALIZATION OVER (UNDER) ANTICIPATION
Gross Income Tax	$ 10,275,000,000	$ 10,506,564,988	102	$ 231,564,988
TOTAL PROPERTY TAX RELIEF FUND	**$ 10,275,000,000**	**$ 10,506,564,988**	**102**	**$ 231,564,988**

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2006

	STATE	FEDERAL	DEDICATED AND REVOLVING	TOTAL
LEGISLATIVE BRANCH	$ --	$ --	$ 4,905	$ 4,905
EXECUTIVE BRANCH				
Chief Executive	--	--	1,301,651	1,301,651
Agriculture	1,948,143	247,645,629	9,542,666	259,136,438
Banking and Insurance	3,993,789	--	4,397,556	8,391,345
Community Affairs	55,827,184	216,460,627	113,362,168	385,649,979
Corrections	--	5,228,107	56,756,405	61,984,512
Education	1,449,305	827,515,436	14,045,732	843,010,473
Environmental Protection	24,962,237	44,904,560	20,089,753	89,956,550
Health and Senior Services	18,638,347	343,948,492	280,060,424	642,647,263
Human Services	212,639,140	5,462,449,356	802,055,741	6,477,144,237
Labor and Workforce Development	35,042,179	377,224,761	145,515,767	557,782,707
Law and Public Safety	164,605,792	184,769,246	170,944,812	520,319,850
Military and Veterans' Affairs	2,314,120	30,653,839	122,952	33,090,911
Personnel	5,415,886	--	--	5,415,886
State	4,540,657	25,692,210	27,522,008	57,754,875
Transportation	3,324,119	41,657,037	331,890,547	376,871,703
Treasury	86,177,391	1,711,122	1,162,894,834	1,250,783,347
Interdepartmental	1,200,590	--	7,000,750	8,201,340
TOTAL EXECUTIVE BRANCH	622,078,879	7,809,860,422	3,147,503,766	11,579,443,067
JUDICIAL BRANCH	3,174,683	905,198	60,768,158	64,848,039
TOTAL APPROPRIATED REVENUE	$ 625,253,562	$ 7,810,765,620	$ 3,208,276,829	$ 11,644,296,011

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
CASINO REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2006

	STATE	FEDERAL	DEDICATED AND REVOLVING	TOTAL
EXECUTIVE BRANCH				
Health and Senior Services	$ 165,607,412	$ --	$ --	$ 165,607,412
TOTAL APPROPRIATED REVENUE	$ 165,607,412	$ --	$ --	$ 165,607,412

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
DIRECT STATE SERVICES			
Legislative Branch	$ 74,173,000	$ 18,386,758	$ 74,184,302
Executive Branch			
Chief Executive's Office	4,972,000	1,507,650	4,814,531
Agriculture	9,215,000	3,164,054	10,625,916
Banking and Insurance	67,037,000	6,571,836	65,189,829
Community Affairs	36,008,000	33,204,451	56,405,790
Corrections	910,940,000	27,360,234	918,132,707
Education	60,693,765	23,038,905	66,704,317
Environmental Protection	221,539,936	49,215,175	243,370,517
Health and Senior Services	63,631,000	33,629,551	90,602,835
Human Services	754,206,000	80,333,130	709,194,991
Labor and Workforce Development	60,696,000	41,735,115	88,415,644
Law and Public Safety	526,319,000	276,055,042	659,750,787
Military and Veterans' Affairs	85,851,338	6,642,128	85,460,689
Personnel	24,540,000	7,334,193	27,695,412
State	26,505,000	2,768,178	26,296,441
Transportation	99,675,000	9,057,072	104,261,472
Treasury	398,506,796	89,864,346	430,570,461
Miscellaneous Executive Commissions	1,428,000	4,239	1,425,433
Inter-Departmental Accounts	1,953,880,490	(31,294,450)	1,809,063,822
Total Executive Branch	5,305,644,325	660,190,849	5,397,981,594
Judicial Branch	554,026,000	13,706,099	526,632,765
TOTAL DIRECT STATE SERVICES	$ 5,933,843,325	$ 692,283,706	$ 5,998,798,661

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ 1,100,063	$ --	$ 17,275,393
44,175	22,367	1,598,577
448,545	80,495	1,224,098
416,921	6,410,970	1,591,116
526,138	283,343	11,997,180
12,520,657	6,719,079	927,791
8,821,323	6,692,389	1,514,641
10,794,625	5,397,330	11,192,639
4,547,402	1,544,443	565,871
14,401,119	1,216,953	109,726,067
8,858,872	2,931,548	2,225,051
19,154,821	16,817,325	106,651,109
4,005,596	21,972	3,005,209
1,034,181	400,035	2,744,565
1,460,161	399,007	1,117,569
2,611,731	1,095,344	763,525
22,087,101	22,449,737	13,263,843
257	--	6,549
20,563,341	32,424,507	60,534,370
132,296,966	104,906,844	330,649,770
29,974,401	4,215,663	6,909,270
$ 163,371,430	$ 109,122,507	$ 354,834,433

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
GRANTS-IN-AID			
Executive Branch			
Agriculture	$ 1,575,000	$ 932,068	$ 2,106,556
Community Affairs	55,710,000	47,205,528	68,405,896
Corrections	138,654,000	(271,000)	128,443,272
Education	18,129,000	(222,000)	12,888,275
Environmental Protection	750,000	22,103,090	3,348,480
Health and Senior Services	1,261,776,000	(2,354,678)	1,180,341,674
Human Services	3,927,499,247	250,393,177	4,008,390,391
Labor and Workforce Development	44,842,000	(3,000,000)	34,954,515
Law and Public Safety	21,177,000	20,000	6,130,260
Military and Veterans' Affairs	1,544,000	14,867	1,274,937
State	1,251,552,000	51,827,568	1,258,637,145
Transportation	273,700,000	2,274,752	273,765,080
Treasury	239,797,000	(2,417,762)	207,600,344
Inter-Departmental Accounts	870,362,000	(9,081,244)	815,020,548
Total Executive Branch	8,107,067,247	357,424,366	8,001,307,373
TOTAL GRANTS-IN-AID	$ 8,107,067,247	$ 357,424,366	$ 8,001,307,373

STATE AID			
Executive Branch			
Agriculture	$ 11,727,000	$ 1,022,884	$ 10,104,592
Community Affairs	107,446,000	3,922,602	90,468,550
Education	654,245,100	(2,597,416)	621,238,929
Environmental Protection	10,072,000	1,155,563	7,616,001
Health and Senior Services	9,552,000	--	7,606,649
Human Services	468,633,000	9,259,997	460,240,898
Labor and Workforce Development	1,522,000	--	1,243,586
Law and Public Safety	8,030,000	14,647,469	13,177,742
State	18,537,000	--	18,231,893
Treasury	305,241,167	20,610,032	294,339,588
Total Executive Branch	1,595,005,267	48,021,131	1,524,268,428
TOTAL STATE AID	$ 1,595,005,267	$ 48,021,131	$ 1,524,268,428

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ 50,000	$ --	$ 350,512
19,312,502	3,086,821	12,110,309
4,455,819	4,074,985	1,408,924
4,275,418	743,307	--
1,857,280	489,703	17,157,627
27,996,706	51,073,430	9,512
91,245,689	6,348,792	71,907,552
6,857,896	29,589	--
15,066,740	--	--
174,933	40,351	68,646
11,226,772	24,079,002	9,436,649
21,414	--	2,188,258
5,921,984	7,038,836	16,818,074
--	16,568,852	29,691,356
188,463,153	113,573,668	161,147,419
$ 188,463,153	$ 113,573,668	$ 161,147,419

$ 28,000	$ 24,758	$ 2,592,534
5,344,242	8,345,492	7,210,318
3,351,929	18,883,160	8,173,666
3,396,952	95,011	119,599
1,703,713	241,638	--
--	14,033,806	3,618,293
262,459	15,955	--
142,090	2,500,000	6,857,637
--	305,107	--
--	1,613,106	29,898,505
14,229,385	46,058,033	58,470,552
$ 14,229,385	$ 46,058,033	$ 58,470,552

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
CAPITAL CONSTRUCTION			
Legislative Branch	$ --	$ 288,557	$ 175
Executive Branch			
Agriculture	--	993,061	--
Corrections	5,000,000	5,667,286	875,396
Education	1,050,000	844,324	47,385
Environmental Protection	84,263,000	93,841,919	59,535,523
Health and Senior Services	--	451,973	232,493
Human Services	11,600,000	15,652,381	4,557,628
Law and Public Safety	4,805,000	12,591,606	2,844,362
Military and Veterans' Affairs	175,000	2,875,829	98,994
Personnel	--	1,697	--
State	--	1,719,478	180,219
Transportation	805,000,000	--	805,000,000
Treasury	--	10,333,972	(221,425)
Miscellaneous Executive Commissions	--	2,000	--
Inter-Departmental Accounts	179,327,000	63,927,203	183,977,307
Total Executive Branch	1,091,220,000	208,902,729	1,057,127,882
TOTAL CAPITAL CONSTRUCTION	$ 1,091,220,000	$ 209,191,286	$ 1,057,128,057

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
DEBT SERVICE			
Environmental Protection	$ 28,943,000	$ (4,268,416)	$ 24,674,371
Treasury	140,383,000	4,268,416	144,649,965
Total Executive Branch	169,326,000	--	169,324,336
TOTAL DEBT SERVICE	$ 169,326,000	$ --	$ 169,324,336

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ --	$ --	$ 288,382
--	2,470	990,591
1,901,923	284,840	7,605,127
179,099	73,121	1,594,719
17,927,240	71,401	100,570,755
83,844	--	135,636
2,596,003	--	20,098,750
3,980,480	15,376	10,556,388
561,964	--	2,389,871
--	1,697	--
--	20,525	1,518,734
--	--	--
729,341	117,887	9,708,169
--	--	2,000
17,043,025	3,156,000	39,077,871
45,002,919	3,743,317	194,248,611
$ 45,002,919	$ 3,743,317	$ 194,536,993

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ --	$ 213	$ --
--	1,451	--
--	1,664	--
$ --	$ 1,664	$ --

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
FEDERAL			
Legislative Branch	$ --	$ 1,505	$ --
Executive Branch			
Agriculture	291,748,016	7,379,071	221,526,150
Community Affairs	288,408,900	(21,493,708)	211,874,170
Corrections	11,186,861	3,005,349	6,992,749
Education	839,442,482	80,512,216	756,147,687
Environmental Protection	225,707,328	16,832,068	37,293,605
Health and Senior Services	1,681,480,112	58,988,367	1,363,186,747
Human Services	4,366,530,790	426,011,431	4,144,816,257
Labor and Workforce Development	411,568,732	140,931,987	348,838,556
Law and Public Safety	168,041,307	114,854,163	104,712,926
Military and Veterans' Affairs	61,686,811	9,043,380	23,198,077
Personnel	--	281,247	281,247
State	36,160,000	1,244,608	24,231,007
Transportation	70,087,000	15,741,250	21,791,318
Treasury	6,131,560	1,599,995	3,296,305
Total Executive Branch	8,458,179,899	854,931,424	7,268,186,801
Judicial Branch	80,079,000	2,893,578	76,592,892
TOTAL FEDERAL	$ 8,538,258,899	$ 857,826,507	$ 7,344,779,693

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ --	$ --	$ 1,505
29,162,387	--	48,438,550
24,126,346	--	30,914,676
664,136	--	6,535,325
53,796,855	--	110,010,156
7,868,687	--	197,377,104
98,552,918	--	278,728,814
71,680,018	--	576,045,946
74,003,440	--	129,658,723
27,261,802	--	150,920,742
2,854,709	--	44,677,405
--	--	--
2,717,689	--	10,455,912
9,174,544	--	54,862,388
496,388	--	3,938,862
402,359,919	--	1,642,564,603
474,307	--	5,905,379
$ 402,834,226	$ --	$ 1,648,471,487

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
REVOLVING FUNDS			
Legislative Branch	$ --	$ 5,265	$ 3,865
Executive Branch			
Community Affairs	--	22,894,922	12,998,711
Corrections	--	32,644,284	31,414,872
Education	--	5,668,520	4,098,320
Environmental Protection	--	1,313,485	544,605
Health and Senior Services	--	18,397,363	15,687,597
Human Services	--	3,702,460	5,491,334
Labor and Workforce Development	--	1,660,883	129,733
Law and Public Safety	--	136,823	6,542
State	--	1,060,282	734,259
Transportation	--	762,496	460,295
Treasury	--	235,087,318	202,907,339
Total Executive Branch	--	323,328,836	274,473,607
TOTAL REVOLVING FUNDS	$ --	$ 323,334,101	$ 274,477,472

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ --	$ --	$ 1,400
5,605,466	--	4,290,745
1,992,654	--	(763,242)
435,167	218,500	916,533
51,647	--	717,233
633,074	--	2,076,692
785,765	--	(2,574,639)
1,452,020	--	79,130
--	--	130,281
3,769	--	322,254
53,350	--	248,851
19,765,174	1,000,000	11,414,805
30,778,086	1,218,500	16,858,643
$ 30,778,086	$ 1,218,500	$ 16,860,043

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
ALL OTHER			
Legislative Branch	$ --	$ 11,155	$ --
Executive Branch			
Chief Executive's Office	--	1,884,292	939,601
Agriculture	--	14,141,624	9,834,474
Banking and Insurance	--	4,719,719	4,394,862
Community Affairs	--	218,410,083	33,881,363
Corrections	--	32,098,677	24,089,885
Education	--	26,553,286	21,982,662
Environmental Protection	--	43,703,676	14,780,467
Health and Senior Services	--	303,594,606	252,049,333
Human Services	--	814,136,212	749,536,654
Labor and Workforce Development	--	222,326,549	155,655,440
Law and Public Safety	--	226,633,587	191,918,135
Military and Veterans' Affairs	--	271,011	2,364
State	--	60,881,958	36,783,332
Transportation	--	401,088,345	283,509,418
Treasury	--	1,030,735,742	890,458,501
Inter-Departmental Accounts	--	7,000,750	--
Total Executive Branch	--	3,408,180,117	2,669,816,491
Judicial Branch	--	70,693,188	40,063,446
TOTAL ALL OTHER	$ --	$ 3,478,884,460	$ 2,709,879,937

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ --	$ --	$ 11,155
--	--	944,691
72,632	--	4,234,518
158	34	324,665
115,679,148	--	68,849,572
407,237	181,433	7,420,122
926,991	132,819	3,510,814
5,290,156	147,150	23,485,903
6,528,729	4,000,000	41,016,544
9,349,128	--	55,250,430
713,153	5,000,000	60,957,956
18,450,634	--	16,264,818
2,060	--	266,587
17,186,144	735,000	6,177,482
21,896,620	--	95,682,307
11,860,156	46,685,004	81,732,081
--	--	7,000,750
208,362,946	56,881,440	473,119,240
13,213,003	--	17,416,739
$ 221,575,949	$ 56,881,440	$ 490,547,134

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
GENERAL FUND SUMMARY			
Legislative Branch	$ 74,173,000	$ 18,693,240	$ 74,188,342
Executive Branch			
Chief Executive's Office	4,972,000	3,391,942	5,754,132
Agriculture	314,265,016	27,632,762	254,197,688
Banking and Insurance	67,037,000	11,291,555	69,584,691
Community Affairs	487,572,900	304,143,878	474,034,480
Corrections	1,065,780,861	100,504,830	1,109,948,881
Education	1,573,560,347	133,797,835	1,483,107,575
Environmental Protection	571,275,264	223,896,560	391,163,569
Health and Senior Services	3,016,439,112	412,707,182	2,909,707,328
Human Services	9,528,469,037	1,599,488,788	10,082,228,153
Labor and Workforce Development	518,628,732	403,654,534	629,237,474
Law and Public Safety	728,372,307	644,938,690	978,540,754
Military and Veterans' Affairs	149,257,149	18,847,215	110,035,061
Personnel	24,540,000	7,617,137	27,976,659
State	1,332,754,000	119,502,072	1,365,094,296
Transportation	1,248,462,000	428,923,915	1,488,787,583
Treasury	1,090,059,523	1,390,082,059	2,173,601,078
Miscellaneous Executive Commissions	1,428,000	6,239	1,425,433
Inter-Departmental Accounts	3,003,569,490	30,552,259	2,808,061,677
Total Executive Branch	24,726,442,738	5,860,979,452	26,362,486,512
Judicial Branch	634,105,000	87,292,865	643,289,103
TOTAL GENERAL FUND SUMMARY	$ 25,434,720,738	$ 5,966,965,557	$ 27,079,963,957

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ 1,100,063	$ --	$ 17,577,835
44,175	22,367	2,543,268
29,761,564	107,723	57,830,803
417,079	6,411,004	1,915,781
170,593,842	11,715,656	135,372,800
21,942,426	11,260,337	23,134,047
71,786,782	26,743,296	125,720,529
47,186,587	6,200,808	350,620,860
140,046,386	56,859,511	322,533,069
190,057,722	21,599,551	834,072,399
92,147,840	7,977,092	192,920,860
84,056,567	19,332,701	291,380,975
7,599,262	62,323	50,407,718
1,034,181	401,732	2,744,565
32,594,535	25,538,641	29,028,600
33,757,659	1,095,344	153,745,329
60,860,144	78,906,021	166,774,339
257	--	8,549
37,606,366	52,149,359	136,304,347
1,021,493,374	326,383,466	2,877,058,838
43,661,711	4,215,663	30,231,388
$ 1,066,255,148	$ 330,599,129	$ 2,924,868,061

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
DIRECT STATE SERVICES			
Law and Public Safety	$ 42,599,000	$ 61,864	$ 42,062,720
Treasury	28,686,000	812,153	28,599,283
TOTAL CASINO CONTROL FUND	$ 71,285,000	$ 874,017	$ 70,662,003

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
DIRECT STATE SERVICES			
Health and Senior Services	$ 871,000	$ 174,326	$ 895,623
Law and Public Safety	92,000	--	92,000
GRANTS-IN-AID			
Health and Senior Services	330,712,000	165,476,429	486,688,817
Human Services	142,844,000	--	142,752,054
Labor and Workforce Development	2,440,000	--	2,440,000
STATE AID			
Transportation	34,352,000	--	2,923,134
TOTAL CASINO REVENUE FUND	$ 511,311,000	$ 165,650,755	$ 635,791,628

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ 283,643	$ 93,732	$ 220,769
170,238	74,063	654,569
$ 453,881	$ 167,795	$ 875,338

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ 120,825	$ 3,904	$ 24,974
--	--	--
1,817,953	7,681,659	--
--	91,946	--
--	--	--
31,428,866	--	--
$ 33,367,644	$ 7,777,509	$ 24,974

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GUBERNATORIAL ELECTIONS FUND
FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
DIRECT STATE SERVICES			
Law and Public Safety	$ 2,025,000	$ --	$ 1,787,600
TOTAL GUBERNATORIAL ELECTIONS FUND	$ 2,025,000	$ --	$ 1,787,600

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
GRANTS-IN-AID			
Treasury	$ 796,488,000	$ 400,053,116	$ 1,194,334,063
STATE AID			
Community Affairs	927,069,000	(58,058,801)	867,172,237
Education	8,707,023,000	17,695,273	8,707,948,413
Environmental Protection	9,000,000	--	8,661,309
Treasury	167,020,000	--	151,756,280
TOTAL PROPERTY TAX RELIEF FUND	$ 10,606,600,000	$ 359,689,588	$ 10,929,872,302

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ --	$ 237,400	$ --
$ --	$ 237,400	$ --

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ --	$ 738,176	$ 1,468,877
1,830,000	7,962	--
2,500,000	8,249,635	6,020,225
--	338,691	--
--	15,263,720	--
$ 4,330,000	$ 24,598,184	$ 7,489,102

STATE OF NEW JERSEY
STATISTICAL SECTION
INDEX

Financial Trends Information **Page**

These schedules contain trend information on the State's financial performance and well-being over time.

Net Assets by Component 296
Changes in Net Assets 297
Fund Balances – Government Funds 298
Statement of Revenues, Expenditures and Changes in Fund Balance – Total Governmental funds 299

Revenue Capacity Information

These schedules contain information on the State's most significant revenue sources.

Revenue Summary for Budgeted Funds 300
Revenue Summary for Budgeted Funds – Percent Distribution by Major Tax 300
Real Gross State Product by Industry 302
Gross Income Tax Rates 304
Gross Income Tax (GIT) Filers and Liability by Income Level 304
Taxable Sales by Category 305
Taxable Sales by Category – Percent Distribution by Major Category 305

Debt Capacity Information

These schedules present information on the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.

Ratio of Outstanding Long-Term Debt 306
State Constitution – Legal Debt Limitations 308
Calculation of Legal Limits 308
Legislatively Authorized but Unissued Debt 309
Debt Service Coverage Ratio 310

Demographic and Economic Information

These schedules offer demographic and economic indicators on the environment within which the State's financial activities occur.

Ten Largest Private Sector Employers 312
Population and Employment Trends 313
Valuations of Taxable Real Property, Personal, and Per Capita Income 313

Operating Information

These schedules contain service and infrastructure data in relation to the services the State provides and the activities it performs.

Expenditure Summary for Budgeted Funds 314
Expenditure Summary for Budgeted Funds - Percent Distribution by Major Expenditure Category 314
Expenditures for Budgeted Funds 315
Full - Time Paid Employees 316
Operating Indicators 318
Capital Asset Statistics 320
New Jersey Historical Facts and Figures 321

STATE OF NEW JERSEY
NET ASSETS BY COMPONENT
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	2006	2005*	2004	2003	2002
Governmental Activities					
Invested in capital assets, net of related debt	$ 5,952.7	$ 6,575.3	$ 6,167.1	$ 4,907.4	$ 4,781.8
Restricted	5,625.8	4,795.3	3,715.3	4,175.0	3,453.5
Unrestricted	(19,723.0)	(18,987.8)	(14,270.9)	(10,881.7)	(8,258.0)
Total	$ (8,144.5)	$ (7,617.2)	$ (4,388.5)	$ (1,799.3)	$ (22.7)
Business-type Activities					
Restricted	$ 1,500.6	$ 1,682.9	$ 1,697.7	$ 2,219.8	$ 2,974.6
Unrestricted	(2.8)	(1.3)	--	--	(59.7)
Total	$ 1,497.8	$ 1,681.6	$ 1,697.7	$ 2,219.8	$ 2,914.9
Total Primary Government					
Invested in capital assets, net of related debt	$ 5,952.7	$ 6,575.3	$ 6,167.1	$ 4,907.4	$ 4,781.8
Restricted	7,126.4	6,478.2	5,413.0	6,394.8	6,428.1
Unrestricted	(19,725.8)	(18,989.1)	(14,270.9)	(10,881.7)	(8,317.7)
Total	$ (6,646.7)	$ (5,935.6)	$ (2,690.8)	$ 420.5	$ 2,892.2

Note:
Information presented is based on the accrual basis of accounting.
* Amounts have been restated.

STATE OF NEW JERSEY
CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	2006	2005*	2004	2003	2002
Governmental Activities					
Expenses					
Public safety and criminal justice	$ 2,827.9	$ 2,916.8	$ 2,652.5	$ 2,504.5	$ 2,485.0
Physical and mental health	9,729.9	9,565.4	8,809.3	9,305.6	8,952.4
Educational, cultural, and intellectual development	14,200.5	13,609.3	12,562.2	10,686.3	10,117.8
Community development and environmental management	2,205.4	1,997.6	1,228.7	1,959.0	2,207.6
Economic planning, development, and security	4,914.9	4,123.7	3,714.1	4,046.6	3,577.1
Transportation programs	2,435.1	1,724.2	1,774.0	1,561.1	1,541.6
Government direction, management, and control	8,280.6	8,086.4	6,027.8	5,763.2	4,951.3
Special government services	239.6	291.6	264.9	236.3	227.2
Interest expense	537.0	791.6	750.4	574.7	540.8
Total Expenses	45,370.9	43,106.6	37,783.9	36,637.3	34,600.8
Program Revenues					
Charges for services	5,000.6	4,601.5	3,341.0	3,900.7	3,052.3
Operating grants	9,708.5	9,156.4	8,985.0	9,151.1	9,233.0
Capital grants and contributions	174.3	125.8	140.9	30.6	23.8
Total Program Revenues	14,883.4	13,883.7	12,466.9	13,082.4	12,309.1
Net (Expense) Revenue	(30,487.5)	(29,222.9)	(25,317.0)	(23,554.9)	(22,291.7)
General Revenues and Transfers					
Taxes	26,714.1	23,308.2	20,940.6	19,347.3	18,049.8
Investment earnings	183.0	84.3	59.8	61.1	42.8
Miscellaneous	1,627.3	1,569.1	1,939.1	1,647.5	2,194.6
Transfers	1,435.8	1,032.6	(211.7)	716.9	725.3
Special Item - gain on sale of tobacco rights	--	--	--	5.5	--
Total General Revenue and Transfers	29,960.2	25,994.2	22,727.8	21,778.3	21,012.5
Change in Net Assets	(527.3)	(3,228.7)	(2,589.2)	(1,776.6)	(1,279.2)
Net Assets - July 1	(7,617.2)	(4,388.5)	(1,799.3)	(22.7)	1,256.5
Net Assets - June 30	$ (8,144.5)	$ (7,617.2)	$ (4,388.5)	$ (1,799.3)	$ (22.7)
Business-type Activities					
Expenses					
State Lottery Fund	$ 1,573.3	$ 1,476.4	$ 1,413.2	$ 1,339.0	$ 1,304.7
Unemployment Compensation Fund	1,828.5	1,948.5	2,481.5	2,876.3	2,497.1
Other	1,959.0	1,860.6	1,700.7	1,367.1	1,217.5
Total Expenses	5,360.8	5,285.5	5,595.4	5,582.4	5,019.3
Program Revenues					
Charges for services	5,859.9	5,898.4	5,317.5	4,706.4	4,032.0
Operating grants	102.9	103.6	481.8	897.8	847.9
Total Program Revenues	5,962.8	6,002.0	5,799.3	5,604.2	4,879.9
Net (Expense) Revenue	602.0	716.5	203.9	21.8	(139.4)
General Revenues and Transfers					
Government subsidies and grants	--	--	--	--	246.8
Transfers	(785.8)	(732.6)	(726.0)	(716.9)	(725.3)
Total General Revenue and Transfers	(785.8)	(732.6)	(726.0)	(716.9)	(478.5)
Change in Net Assets	(183.8)	(16.1)	(522.1)	(695.1)	(617.9)
Net Assets - July 1	1,681.6	1,697.7	2,219.8	2,914.9	3,532.8
Net Assets - June 30	$ 1,497.8	$ 1,681.6	$ 1,697.7	$ 2,219.8	$ 2,914.9
Total Primary Government					
Expenses	$ 50,731.7	$ 48,392.1	$ 43,379.3	$ 42,219.7	$ 39,620.1
Program revenues	20,846.2	19,885.7	18,266.2	18,686.6	17,189.0
Net (Expense) Revenue	(29,885.5)	(28,506.4)	(25,113.1)	(23,533.1)	(22,431.1)
General revenues and other changes in net assets	29,174.4	25,261.6	22,001.8	21,061.4	20,534.0
Change in Net Assets	(711.1)	(3,244.8)	(3,111.3)	(2,471.7)	(1,897.1)
Net Assets - July 1	(5,935.6)	(2,690.8)	420.5	2,892.2	4,789.3
Net Assets - June 30	$ (6,646.7)	$ (5,935.6)	$ (2,690.8)	$ 420.5	$ 2,892.2

Note:

Information presented is based on the accrual basis of accounting.

* Amounts have been restated.

STATE OF NEW JERSEY
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	2006	2005	2004	2003	2002
General Fund					
Reserved					
Encumbrances	$ 907.6	$ 839.3	$ 664.4	$ 630.8	$ 584.6
Surplus Revenue	559.8	288.7	282.4	--	--
Other	368.1	369.9	312.8	377.2	103.8
Unreserved	2,522.7	1,689.5	1,491.6	1,243.8	1,240.3
Total	$ 4,358.2	$ 3,187.4	$ 2,751.2	$ 2,251.8	$ 1,928.7
All Other Governmental Funds					
Reserved					
Encumbrances	$ 896.8	$ 629.3	$ 680.9	$ 700.1	$ 746.3
Other	1,605.3	1,601.6	1,632.2	1,064.1	1,571.1
Unreserved					
Special Revenue Funds	4,477.8	2,638.4	1,901.5	4,203.8	1,563.4
Capital Projects Fund	119.1	143.3	170.5	168.2	(225.6)
Total	$ 7,099.0	$ 5,012.6	$ 4,385.1	$ 6,136.2	$ 3,655.2
Total					
Reserved					
Encumbrances	$ 1,804.4	$ 1,468.6	$ 1,345.3	$ 1,330.9	$ 1,330.9
Surplus Revenue	559.8	288.7	282.4	--	--
Other	1,973.4	1,971.5	1,945.0	1,441.3	1,674.9
Unreserved					
General Fund	2,522.7	1,689.5	1,491.6	1,243.8	1,240.3
Special Revenue Funds	4,477.8	2,638.4	1,901.5	4,203.8	1,563.4
Capital Projects Fund	119.1	143.3	170.5	168.2	(225.6)
Total Governmental Funds	$ 11,457.2	$ 8,200.0	$ 7,136.3	$ 8,388.0	$ 5,583.9

Note:
Information presented is based on the modified accrual basis of accounting.

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	2006	2005	2004	2003	2002
REVENUES					
Taxes	$ 25,909.3	$ 23,395.5	$ 21,008.9	$ 19,491.1	$ 18,196.3
Federal and other grants	9,122.2	8,594.9	8,495.2	7,954.5	7,658.5
Licenses and fees	959.8	930.6	811.5	979.1	875.1
Services and assessments	2,493.6	2,172.7	1,835.3	1,798.6	1,705.5
Investment earnings	321.7	149.2	96.9	103.0	101.1
Contributions	662.6	646.7	281.9	510.3	231.3
Other	3,628.9	3,508.8	3,213.8	6,560.9	3,560.6
Total Revenues	43,098.1	39,398.4	35,743.5	37,397.5	32,328.4
EXPENDITURES					
Public safety and criminal justice	3,155.7	2,989.7	2,733.5	2,548.0	2,546.8
Physical and mental health	9,732.6	9,603.5	8,826.6	9,315.2	8,863.6
Educational, cultural, and intellectual development	14,405.1	13,909.5	12,723.6	10,813.0	10,249.9
Community development and environmental management	2,446.6	2,341.5	2,160.1	2,050.0	2,260.5
Economic planning, development, and security	4,981.2	4,233.2	3,763.6	4,087.1	3,620.8
Transportation programs	3,106.2	2,483.8	2,551.9	2,225.7	2,252.4
Government direction, management, and control	7,134.2	7,335.6	5,505.4	5,476.9	5,199.0
Special government services	313.3	299.9	270.9	239.1	230.7
Capital Outlay	573.5	237.6	326.3	863.1	1,122.3
Debt Service:					
Principal	48.2	390.5	483.4	418.7	399.4
Interest	361.3	623.3	650.5	457.8	439.2
Total Expenditures	46,257.9	44,448.1	39,995.8	38,494.6	37,184.6
Excess (deficiency) of revenues over expenditures	(3,159.8)	(5,049.7)	(4,252.3)	(1,097.1)	(4,856.2)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of bonds	2,850.1	1,000.5	1,139.8	895.0	1,014.6
Transfers from (to) other funds	1,435.8	1,032.6	(211.7)	716.9	725.3
Other	2,131.1	4,080.3	2,072.5	2,289.3	1,122.3
Total	6,417.0	6,113.4	3,000.6	3,901.2	2,862.2
Change in Fund Balance	3,257.2	1,063.7	(1,251.7)	2,804.1	(1,994.0)
Fund balances - July 1	8,200.0	7,136.3	8,388.0	5,583.9	7,577.9
Fund balances - June 30	$ 11,457.2	$ 8,200.0	$ 7,136.3	$ 8,388.0	$ 5,583.9
Debt Service as a percentage of noncapital expenditures:	0.9%	2.3%	2.9%	2.3%	2.3%

Notes:

Debt Service as a percentage of noncapital expenditures is defined as total debt service divided by total expenditures minus capital outlay and expenditures for capitalized assets included within the functional categories.

Information presented is based on the modified accrual basis of accounting.

STATE OF NEW JERSEY
REVENUE SUMMARY FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

Major Tax	2006	2005	2004	2003
Gross Income Tax	$ 10,506.6	$ 9,537.9	$ 7,400.7	$ 6,735.3
Sales and Use Tax	6,853.4	6,552.2	6,261.7	5,936.1
Corporation Business Tax	3,007.8	2,368.1	2,370.2	2,525.4
Other Major Taxes	3,544.7	3,244.0	3,028.0	2,837.3
Miscellaneous Taxes, Fees	3,324.0	4,988.5	4,472.4	4,265.2
State Lottery	844.2	812.0	795.0	765.4
Casino Taxes and Fees	570.3	540.0	532.7	413.9
Total	$ 28,651.0	$ 28,042.7	$ 24,860.7	$ 23,478.6

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:
New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
REVENUE SUMMARY FOR BUDGETED FUNDS*
PERCENT DISTRIBUTION BY MAJOR TAX
FOR THE FISCAL YEAR ENDED JUNE 30

Major Tax	2006	2005	2004	2003
Gross Income Tax	36.7 %	34.0 %	29.8 %	28.7 %
Sales and Use Tax	23.9	23.4	25.2	25.3
Corporation Business Tax	10.5	8.4	9.5	10.7
Other Major Taxes	12.4	11.6	12.2	12.1
Miscellaneous Taxes, Fees	11.6	17.8	18.0	18.2
State Lottery	2.9	2.9	3.2	3.2
Casino Taxes and Fees	2.0	1.9	2.1	1.8
Total	100.0 %	100.0 %	100.0 %	100.0 %

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:
New Jersey Department of the Treasury, Office of Management and Budget.

2002	2001	2000	1999	1998	1997
$ 6,837.0	$ 7,989.2	$ 7,205.3	$ 6,323.9	$ 5,590.6	$ 4,825.4
5,996.8	5,758.7	5,508.1	5,054.4	4,766.2	4,415.4
1,171.5	1,389.5	1,452.1	1,402.9	1,231.6	1,286.4
2,489.1	2,429.9	2,307.8	2,282.5	2,305.0	2,297.2
2,911.5	2,296.9	2,307.7	2,107.9	2,226.4	2,320.9
754.5	697.4	719.9	652.3	642.8	650.0
413.0	399.3	396.3	382.5	369.8	359.6
$ 20,573.4	$ 20,960.9	$ 19,897.2	$ 18,206.4	$ 17,132.4	$ 16,154.9

2002	2001	2000	1999	1998	1997
33.2 %	38.1 %	36.3 %	34.7 %	32.6 %	29.9 %
29.1	27.5	27.7	27.8	27.8	27.3
5.7	6.6	7.3	7.7	7.2	8.0
12.1	11.6	11.6	12.5	13.5	14.2
14.2	11.0	11.5	11.6	13.0	14.4
3.7	3.3	3.6	3.6	3.8	4.0
2.0	1.9	2.0	2.1	2.1	2.2
100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

STATE OF NEW JERSEY
REAL GROSS STATE PRODUCT BY INDUSTRY
FOR THE CALENDAR YEAR ENDED DECEMBER 31
(Expressed in Billions)

	2005	2004	2003	2002
Gross State Product				
Goods Producing				
Agriculture, forestry, fishing, and hunting	$ 0.6	$ 0.5	$ 0.5	$ 0.6
Mining	0.2	0.2	0.2	0.2
Manufacturing	37.6	38.8	39.6	38.6
Construction	13.6	13.5	13.2	13.6
Subtotal	52.0	53.0	53.5	53.0
Private Service Producing				
Transportation and warehousing	11.0	11.3	11.2	10.6
Information	21.8	20.6	18.7	19.1
Utilities	7.2	6.9	6.8	6.3
Wholesale trade	33.7	33.4	33.0	31.8
Retail trade	27.8	27.3	26.2	25.5
Finance and insurance	32.4	31.2	31.3	30.5
Real estate, rental, and leasing	63.7	60.9	56.4	54.5
Services*	92.5	90.0	87.2	85.1
Other services**	7.2	7.1	6.9	6.8
Subtotal	297.3	288.7	277.7	270.2
Government	36.6	36.1	35.2	34.7
Grand Total	$ 385.9	$ 377.8	$ 366.4	$ 357.9
Total Personal Income	$ 382.0	$ 363.9	$ 343.4	$ 337.0

***** Services include professional and business services, educational and health services, and leisure and hopsitality services.

****** Other services include repair and maintenance services, personal and laundry services, and religious, grant-making and other similar organizations.

Source:

Global Insight and the New Jersey Department of the Treasury, Division of Taxation.

2001	2000	1999	1998	1997	1996
$ 0.5	$ 0.6	$ 0.5	$ 0.5	$ 0.4	$ 0.4
0.2	0.2	0.2	0.2	0.2	0.2
40.5	41.3	39.1	36.9	37.1	35.8
13.7	12.8	12.7	12.9	12.9	12.5
54.9	54.9	52.5	50.5	50.6	48.9
10.5	11.2	11.0	10.5	10.2	9.9
18.7	17.3	16.6	15.8	15.3	14.7
6.5	6.7	6.3	6.2	6.3	6.8
32.2	29.8	29.1	28.6	25.7	23.3
24.4	22.4	21.1	20.2	19.3	18.0
29.6	27.3	24.2	22.9	21.0	19.8
53.4	50.8	50.2	49.3	48.2	48.2
84.1	83.9	83.2	81.9	79.1	76.0
6.7	6.7	6.6	6.9	6.7	6.8
266.1	256.1	248.3	242.3	231.8	223.5
34.2	33.7	33.3	33.3	34.2	34.6
$ 355.2	$ 344.7	$ 334.1	$ 326.1	$ 316.6	$ 307.0
$ 333.0	$ 323.6	$ 294.4	$ 282.7	$ 263.4	$ 248.3

STATE OF NEW JERSEY
GROSS INCOME TAX RATES
FOR THE CALENDAR YEAR ENDED DECEMBER 31

	Top Income Tax Rate Is Applied To Taxable Income In Excess Of				
Year	Top Rate	Single	Married Filing Jointly	Head of Household	Average Effective Rate*
1997	6.37 %	$ 75,000	$ 150,000	$ 150,000	2.49 %
1998	6.37	75,000	150,000	150,000	2.57
1999	6.37	75,000	150,000	150,000	2.67
2000	6.37	75,000	150,000	150,000	2.84
2001	6.37	75,000	150,000	150,000	2.61
2002	6.37	75,000	150,000	150,000	2.56
2003	6.37	75,000	150,000	150,000	2.59
2004	8.97	500,000	500,000	500,000	3.02
2005	8.97	500,000	500,000	500,000	3.07
2006	8.97	500,000	500,000	500,000	3.19

* Net tax divided by New Jersey Gross Income for full-time resident returns with a tax liability. Data for 2005 and 2006 are estimates based on projections.

Source:
New Jersey Department of the Treasury, Division of Taxation.

STATE OF NEW JERSEY
GROSS INCOME TAX (GIT) FILERS AND LIABILITY BY INCOME LEVEL
2004 AS COMPARED TO 1995
(GIT Liability Expressed in Millions)

	2004				1995			
Income Level	Number of Filers	Percent of Total	GIT Liability	Percent of Total	Number of Filers	Percent of Total	GIT Liability	Percent of Total
$500,001 and higher	34,948	1.3 %	$ 2,630.4	37.0 %	14,043	0.5 %	$ 813.6	18.8 %
$250,001 - $500,000	72,803	2.8	954.1	13.4	31,649	1.2	754.3	17.4
$100,001 - $250,000	503,603	19.4	2,074.6	29.2	236,426	8.7	1,063.4	24.6
$75,001 - $100,000	308,320	11.9	519.4	7.3	232,684	8.6	448.7	10.4
$50,001 - $75,000	466,255	18.0	487.7	6.9	467,962	17.3	567.6	13.1
$35,001 - $50,000	426,126	16.4	243.8	3.4	432,932	16.0	312.3	7.2
$20,001 - $35,000	543,782	21.0	163.2	2.3	620,008	22.9	249.5	5.8
$10,001 - $20,000	239,137	9.2	37.1	0.5	515,717	19.1	101.6	2.3
$10,000 and lower	--	--	--	--	154,590	5.7	16.0	0.4
Total	2,594,974	100.0 %	$ 7,110.3	100.0 %	2,706,011	100.0 %	$ 4,327.0	100.0 %

Source:
New Jersey Department of the Treasury, Division of Taxation.

STATE OF NEW JERSEY
TAXABLE SALES BY CATEGORY*
FOR THE CALENDAR YEAR ENDED DECEMBER 31
(Expressed in Millions)

Year	Category							Sales and Use Tax Rate
	Manufacturing	Wholesale	Retail	Service	Construction	Other	Total	
1996	$ 217.3	$ 185.9	$ 2,403.6	$ 1,167.4	$ 89.9	$ 38.7	$ 4,102.8	6.0 %
1997	237.9	214.5	2,492.9	1,243.3	93.8	44.2	4,326.6	6.0
1998	247.8	230.1	2,650.3	1,390.8	96.0	49.1	4,664.1	6.0
1999	256.4	244.2	2,856.8	1,419.1	103.5	53.2	4,933.2	6.0
2000	274.1	249.3	3,064.5	1,476.4	113.7	62.1	5,240.1	6.0
2001	297.6	255.5	3,207.8	1,557.6	123.2	80.5	5,522.2	6.0
2002	249.2	233.6	3,256.2	1,491.6	110.6	82.4	5,423.6	6.0
2003	239.5	234.0	3,415.8	1,506.1	116.2	90.4	5,602.0	6.0
2004	278.6	261.5	3,564.6	1,550.7	129.1	100.2	5,884.7	6.0
2005	315.2	270.4	3,599.8	1,599.9	136.5	94.9	6,016.7	6.0

* Category data from 1996 through 2004 has been revised.

Source:
New Jersey Department of the Treasury, Division of Taxation.

STATE OF NEW JERSEY
TAXABLE SALES BY CATEGORY
PERCENT DISTRIBUTION BY MAJOR CATEGORY*
FOR THE CALENDAR YEAR ENDED DECEMBER 31

Year	Category						
	Manufacturing	Wholesale	Retail	Service	Construction	Other	Total
1996	5.3 %	4.5 %	58.6 %	28.5 %	2.2 %	0.9 %	100.0 %
1997	5.5	5.0	57.6	28.7	2.2	1.0	100.0
1998	5.3	4.9	56.8	29.8	2.1	1.1	100.0
1999	5.2	4.9	57.9	28.8	2.1	1.1	100.0
2000	5.2	4.7	58.5	28.2	2.2	1.2	100.0
2001	5.4	4.6	58.1	28.2	2.2	1.5	100.0
2002	4.6	4.3	60.0	27.5	2.1	1.5	100.0
2003	4.3	4.2	61.0	26.9	2.0	1.6	100.0
2004	4.7	4.4	60.6	26.4	2.2	1.7	100.0
2005	5.2	4.5	59.8	26.6	2.3	1.6	100.0

* Data from 1996 through 2004 has been revised.

Source:
New Jersey Department of the Treasury, Division of Taxation.

STATE OF NEW JERSEY
RATIO OF OUTSTANDING LONG-TERM DEBT
1997-2006
(Expressed in Thousands Except for General Long-Term Debt Ratios)

Governmental Activities	2006	2005	2004	2003
Bonded Debt				
General Obligation Bonds	$ 3,132,755	$ 3,156,375	$ 3,301,005	$ 3,366,605
Revenue Bonds Payable	12,975,955	7,856,005	7,229,340	6,520,530
Capital Leases	308,575	130,340	137,535	126,960
Installment Obligations	16,896,002	15,373,185	11,741,335	10,149,031
Certificates of Participation	60,559	66,148	77,392	81,662
Unamortized Premium	1,500,850	1,204,377	498,641	365,248
Tobacco Settlement Financing Corporation	3,248,580	3,280,155	3,329,406	3,345,107
Unamortized Deferral on Refunding	(604,570)	(533,008)	(223,754)	(211,909)
Unamortized Interest on Capital Appreciation Bonds	(5,673,484)	(3,211,862)	(3,311,643)	(3,435,380)
Subtotal	31,845,222	27,321,715	22,779,257	20,307,854
Non-Bonded Debt				
Accumulated Sick and Vacation Payable	518,561	488,913	466,126	449,934
Capital Leases	430,768	538,926	553,984	515,331
Loans Payable	1,279,358	1,279,358	1,279,358	1,279,358
Net Pension Obligation	2,953,944	1,796,799	845,563	115,033
Other	417,733	397,545	377,766	332,019
Subtotal	5,600,364	4,501,541	3,522,797	2,691,675
Grand Total	$ 37,445,586	$ 31,823,256	$ 26,302,054	$ 22,999,529
New Jersey Total Personal Income	$ 407,400,000	$ 382,041,000	$ 363,852,000	$ 343,436,000
Percentage of Personal Income	9.2%	8.3%	7.2%	6.7%
New Jersey Population	8,754	8,718	8,685	8,640
General Obligation Debt Per Capita	$357.87	$362.05	$380.08	$389.65
Total Long-Term Debt Per Capita	$4,277.54	$3,650.29	$3,028.45	$2,661.98

Note:
New Jersey Total Personal Income and Population figures for 2006 are estimates.
Data for 2001 through 2005 has been revised.

Source:
New Jersey Department of the Treasury, Office of Management and Budget.

2002	2001	2000	1999	1998	1997
$ 3,249,855	$ 3,555,375	$ 3,875,025	$ 3,734,360	$ 3,657,350	$ 3,521,905
5,885,515	5,119,160	5,289,155	4,425,150	3,868,160	3,137,885
135,150	147,565	157,000	184,370	189,660	183,571
9,062,246	8,990,688	8,428,873	8,389,293	8,345,408	4,712,551
100,950	138,623	147,575	115,751	103,385	128,460
193,961	--	--	--	--	--
--	--	--	--	--	--
(104,984)	--	--	--	--	--
(3,290,843)	(3,422,621)	(3,587,914)	(3,706,206)	(3,817,327)	(224,206)
15,231,850	14,528,790	14,309,714	13,142,718	12,346,636	11,460,166
477,003	449,045	428,155	415,219	431,142	414,210
413,130	117,190	79,584	80,447	100,052	57,467
1,279,358	1,279,358	1,279,358	1,279,358	1,271,679	1,137,500
81,687	54,576	18,513	--	--	--
320,083	228,980	--	--	--	--
2,571,261	2,129,149	1,805,610	1,775,024	1,802,873	1,609,177
$ 17,803,111	$ 16,657,939	$ 16,115,324	$ 14,917,742	$ 14,149,509	$ 13,069,343
$ 337,010,000	$ 332,951,000	$ 323,554,000	$ 294,385,000	$ 282,721,000	$ 263,420,000
5.3%	5.0%	5.0%	5.1%	5.0%	5.0%
8,576	8,505	8,414	8,143	8,096	8,054
$378.95	$418.03	$460.54	$458.60	$451.75	$437.29
$2,075.92	$1,958.61	$1,915.30	$1,831.97	$1,747.72	$1,622.71

STATE OF NEW JERSEY
STATE CONSTITUTION - LEGAL DEBT LIMITATIONS

The State Constitution provides that the Legislature shall not create a debt or liability in any fiscal year which, together with any previous debts or liabilities, shall exceed one percent of total appropriations for that fiscal year unless the same shall be authorized by a law for some single object or been submitted to the people at a general election and has been approved by a majority of voters. These Constitutional Provisions do not apply to the creation of debt for purposes of war, or to repel invasion, or to suppress insurrection, or to meet emergencies caused by disaster or act of God (Article VIII, Section 2, par. 3).

All general obligation bonded debt in New Jersey is entered into as a result of successful referenda. As the table below illustrates, the debt margin as defined by the Constitution would prohibit any other method of creation of such debt or liability.

STATE OF NEW JERSEY
CALCULATION OF LEGAL LIMITS
(Expressed in Millions)

Fiscal Year	Total Appropriations For Budgeted Funds	Legal Debt Limit
1997	$ 16,256.8	$ 162.5
1998	17,157.6	171.5
1999	18,485.6	184.8
2000	20,163.5	201.6
2001	21,842.8	218.4
2002	23,352.2	233.5
2003	23,726.4	237.2
2004	24,569.1	245.6
2005	28,644.8	286.4
2006	28,087.7	280.8

Source:
New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
LEGISLATIVELY AUTHORIZED BUT UNISSUED DEBT, 2006 AND 2005
(Expressed in Millions)

Debt Program	Year	Amount Authorized	Unissued As Of 6/30/2006	Unissued As Of 6/30/2005
General Obligation Bonds*				
Clean Waters	1976	$ 120.0	$ 5.0	$ 5.0
State Land Acquisition and Development	1978	200.0	1.5	1.5
Natural Resources	1980	145.0	9.6	9.6
Energy Conservation	1980	50.0	1.6	1.6
Water Supply	1981	350.0	93.4	93.4
Hazardous Discharge	1981	100.0	43.0	43.0
New Jersey Green Acres	1983	135.0	14.5	14.5
Pinelands Infrastructure Trust	1985	30.0	8.0	8.0
Hazardous Discharge	1986	200.0	48.0	48.0
New Jersey Green Acres, Cultural Centers and Historic Preservation	1987	100.0	9.0	9.0
Open Space Preservation	1989	300.0	26.0	26.0
Public Purpose Buildings and Community - Based Facilities Construction	1989	125.0	5.0	5.0
Stormwater Management and Combined Sewer Overflow Abatement	1989	50.0	21.5	21.5
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	1992	345.0	26.8	26.8
Development Disabilities' Waiting List Reduction and Human Services Facilities Construction	1994	160.0	5.0	5.0
1995 New Jersey Green Acres, Farmland and Historic Preservation and Blue Acres	1995	340.0	25.5	25.5
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	300.0	199.0	199.0
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	2003	200.0	200.0	200.0
Subtotal		3,250.0	742.4	742.4
Revenue Bonds Payable				
Transportation Trust Fund Authority				
Annual Capital Plan**	1995, 2006	15,600.0	7,108.0	658.1
Garden State Preservation Trust				
Open Space and Farmland Presevation Bonds***	1999, 2004	1,150.0	--	650.0
Subtotal		16,750.0	7,108.0	1,308.1
Installment Obligations				
Economic Development Authority				
Market Transition Facility	1994	750.0	44.7	44.7
School Facilities Construction	2000	8,600.0	3,079.1	4,504.1
Special Needs Housing	2005	200.0	148.6	--
Educational Facilities Authority				
Equipment Leasing Fund	1993	100.0	56.9	40.8
Capital Improvement Fund	1999	550.0	0.6	0.6
Dormitory Safety Trust Fund	2000	90.0	10.8	10.8
Subtotal		10,290.0	3,340.7	4,601.0
Total		$ 30,290.0	$ 11,191.1	$ 6,651.5

Notes:

For debt issued after June 30, 2006, please refer to Note 20 - Subsequent Events of the Notes to the Financial Statements.

* An additional $1 million in Emergency Housing Bonds (Act of 1946) remain authorized but are not to be issued.

** The New Jersey Transportation Trust Fund Authority has been legislatively reauthorized to include capital programs through Fiscal Year 2011.

*** The Garden State Preservation Trust on May 6, 2004 sold $500 million of its Open Space and Farmland Preservation Bonds, 2005 Series A (Forward Delivery Bonds) and on September 16, 2004 sold $150 million of its Open Space Preservation and Farmland Preservation Bonds, 2005 Series B (Forward Delivery Bonds). The Garden State Preservation Trust issued both of these bonds on December 1, 2005.

Source:

New Jersey Department of the Treasury, Office of Public Finance.

STATE OF NEW JERSEY
DEBT SERVICE COVERAGE RATIO
(Expressed in Millions Except for Coverage Ratio)

Market Transition Facility (MTF) Senior Lien Revenue Bonds (Series 1994A and Series 2001A)

MTF Senior Lien Revenue Bonds are repaid solely from surcharges assessed on drivers who commit certain violations. The violations for which surcharges are imposed are: (i) driving while intoxicated, (ii) receiving six or more motor vehicle points during a three year period preceding the imposition of the surcharge, (iii) driving without a license, (iv) driving without insurance, and (v) driving with a suspended license.

Fiscal Year	Net Available Revenue	Debt Service			Coverage Ratio
		Principal	Interest	Total	
1998	$ 150.8	$ 30.8	$ 39.7	$ 70.5	2.1
1999	143.4	34.4	38.1	72.5	2.0
2000	133.2	36.0	36.4	72.4	1.8
2001	126.4	37.8	34.6	72.4	1.7
2002	128.6	39.8	21.9	61.7	2.1
2003	134.3	38.2	27.5	65.7	2.0
2004	136.6	46.4	25.3	71.7	1.9
2005	130.0	49.6	22.0	71.6	1.8
2006	131.7	53.0	19.0	72.0	1.8

New Jersey Motor Vehicle Commission Bonds, Series 2003A

The bonds will be repaid solely from surcharges that are being used to pay outstanding MTF Senior Lien Revenue Bonds as well as any other future bonds, notes, or other obligations hereafter issued under the same Bond Resolution. The MTF Senior Lien Revenue Bonds have a final maturity date of July 1, 2011. The New Jersey Motor Vehicle Commission Bonds, Series 2003A consist of capital appreciation bonds. Therefore, debt service payments are made when the bonds mature. Final maturities on the New Jersey Motor Vehicle Commission Bonds occur on July 1, 2012, July 1, 2013, July 1, 2014, and July 1, 2015.

Motor Vehicle Surcharges Revenue Bonds, 2004 Series A (1)

Beginning on July 1, 2006, the Motor Vehicle Surcharges Revenue Bonds will be repaid solely from (i) unsafe driving surcharges, which are surcharges collected by the courts from drivers convicted of unsafe driving violations, (ii) surcharges that remain after funding debt service on MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds, and (iii) all surcharges that are being used to amortize the MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds after they have been fully retired.

Motor Vehicle Surcharge Revenue Bonds, Special Needs Housing Program, 2005 Series A

Beginning on July 1, 2006, the Motor Vehicle Surcharges Revenue Bonds will be repaid solely from (i) unsafe driving surcharges, which are surcharges collected by the courts from drivers convicted of unsafe driving violations, (ii) surcharges that remain after funding debt service on MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds, and (iii) all surcharges that are being used to amortize the MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds after they have been fully retired. The Special Needs Housing Program Bonds, 2005 Series A consist of capital appreciation bonds. Therefore, debt service payments are made when the bonds mature. Final maturities on the Special Needs Housing Program Bonds occur on July 1, 2016, July 1, 2017, July 1, 2018, and July 1, 2019.

Tobacco Settlement Financing Corporation, Inc.
Tobacco Settlement Asset—Backed Bonds (Series 2002 and Series 2003)

Pursuant to a Purchase and Sale Agreement between the State and the Tobacco Settlement Financing Corporation, Inc., the State has sold its future rights to receive payments under the Master Settlement Agreement entered into by participating cigarette manufacturers, 46 states and six other United States jurisdictions. The purchase price of the State's future rights, title and interest in the Tobacco Settlement Revenues has been financed by the issuance of these bonds. The Tobacco Settlement Financing Corporation, Inc. has pledged these future payments in order to secure the Tobacco Settlement Bonds. The State is not obligated to pay, and neither the full faith and credit nor the taxing power of the State is pledged to the payment of, principal or interest on the bonds.

Fiscal Year	Net Available Revenue	Debt Service			Coverage Ratio
		Principal	Interest	Total	
2006	$ 240.5	$ 34.5	$ 205.7	$ 240.2	1.0

Cigarette Tax Revenue Bonds, Series 2004 (2)

Beginning on July 1, 2006, the bonds are to be repaid from a separate nonlapsing "Dedicated Cigarette Tax Revenue Fund" that will be credited on a monthly basis an amount equal to the tax collected by the State from $0.0325 per cigarette (i.e., $0.65 per pack of 20 cigarettes). However, no credits of dedicated revenues may be made to the Dedicated Cigarette Tax Revenue Fund in any fiscal year until the legislatively required deposits of Cigarette Tax revenues into the State Cancer Research Fund and State Health Care Subsidy Fund have been made. Once these deposits occur, a "catch-up" mechanism temporarily credits all Cigarette Tax revenues to the Dedicated Cigarette Tax Revenue Fund until it reaches the level it otherwise would have reached if the deposits had not been made.

Notes:
(1) Motor Vehicle Surcharges Revenue Bonds have provided for debt service payments through July 1, 2006 through the use of capitalized interest.
(2) Cigarette Tax Revenue Bonds have provided for debt service payments through July 1, 2006 through the use of capitalized interest.

Source:
New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
TEN LARGEST PRIVATE SECTOR EMPLOYERS
2005 AS COMPARED TO 1996

2005 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	Wakefern Food Corporation/Shoprite	31,279	0.7 %
2	United Parcel Service (UPS)	16,290	0.4
3	Verizon	16,200	0.4
4	Harrah's Entertainment, Inc.	15,763	0.4
5	Home Depot	13,910	0.3
6	Wal-Mart Stores, Inc.	13,120	0.3
7	Continental Airlines	11,898	0.3
8	Federated Department Stores	11,555	0.3
9	Pathmark Stores, Inc.	11,200	0.3
10	Johnson & Johnson	11,000	0.3
		152,215	3.7 %

Note:
Total New Jersey Employment for calendar year 2005 totaled 4.236 million.

Source:
"New Jersey Business," New Jersey Business & Industry Association, "34th Annual Top 100 Employers, May 2006." Data reprinted with permission from the New Jersey Business and Industry Association.

1996 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	Wakefern Food Corp	33,644	0.9 %
2	American Telephone & Telegraph Company	31,000	0.8
3	Pathmark Stores, Incorporated	20,503	0.5
4	Lucent Technologies	17,300	0.4
5	The Prudential Insurance Company of America	15,976	0.4
6	Bell Atlantic-New Jersey Incorporated	15,199	0.4
7	United Parcel Service	13,200	0.3
8	Johnson & Johnson	13,000	0.3
9	Great Atlantic and Pacific Tea Company	12,000	0.3
10	Public Service Enterprise Group, Incorporated	11,000	0.3
		182,822	4.6 %

Note:
Total New Jersey Employment for calendar year 1996 totaled 3.926 million.

Source:
"New Jersey Business, "New Jersey Business & Industry Association, "25th Annual Top 100 Employers, May 1997." Data reprinted with permission from the New Jersey Business and Industry Association.

STATE OF NEW JERSEY
POPULATION AND EMPLOYMENT TRENDS
(Expressed in Thousands)

Year	Population*	Civilian Labor Force**	Resident Employment**	Resident Unemployment*	New Jersey Unemployment Rate***	U.S. Unemployment Rate
1996	8,010	4,184	3,926	258	6.2 %	5.4 %
1997	8,054	4,257	4,031	226	5.3	4.9
1998	8,096	4,242	4,047	195	4.6	4.5
1999	8,143	4,285	4,093	192	4.5	4.2
2000	8,414	4,288	4,130	158	3.7	4.0
2001	8,505	4,303	4,118	185	4.3	4.7
2002	8,576	4,365	4,112	253	5.8	5.8
2003	8,640	4,375	4,119	256	5.8	6.0
2004	8,685	4,379	4,164	215	4.9	5.5
2005	8,718	4,430	4,236	194	4.4	5.1

* Data from 2001 through 2004 has been revised.

** Data from 2000 through 2004 has been revised.

*** Data for 2003 and 2004 has been revised.

Sources:

New Jersey Department of Labor, "New Jersey Economic Indicators."

STATE OF NEW JERSEY
VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL, AND PER CAPITA INCOME
(Expressed in Thousands Except as Indicated)

Year	New Jersey Population*	Assessed Valuation of Property	True Valuation of Property	Personal Income (Millions)**	Per Capita Income***
1996	8,010	$ 429,753,224	$ 501,577,931	$ 248,320	$ 30,470
1997	8,054	438,965,016	514,007,592	263,420	32,051
1998	8,096	455,710,137	539,354,740	282,721	34,115
1999	8,143	470,554,943	548,448,342	294,385	35,215
2000	8,414	493,863,234	645,145,129	323,554	38,364
2001	8,505	524,816,215	720,179,653	332,951	39,148
2002	8,576	567,908,706	820,922,044	337,010	39,296
2003	8,640	606,248,658	937,193,205	343,436	39,749
2004	8,685	666,117,074	1,080,744,002	363,852	41,893
2005	8,718	743,219,514	1,236,861,340	382,041	43,822

* Data for 2001 through 2004 has been revised.

** Data for 2002 through 2004 has been revised.

*** Data through 2004 has been revised.

Sources:

New Jersey Department of the Treasury, Annual Report of the Division of Taxation.

New Jersey Department of Labor, Office of Demographic & Economic Analysis.

STATE OF NEW JERSEY
EXPENDITURE SUMMARY FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

Fiscal Year	Direct State Services	Grants-In-Aid	State Aid	Capital Construction	Debt Service	Total
1997	$ 5,125.8	$ 4,053.4	$ 6,336.6	$ 373.3	$ 446.9	$ 16,336.0
1998	5,343.2	4,047.2	6,847.6	497.0	478.9	17,213.9
1999	4,792.2	5,160.6	7,475.2	608.3	495.5	18,531.8
2000	4,650.2	6,211.7	7,866.4	737.4	494.2	19,959.9
2001	5,012.6	6,210.0	8,408.2	1,171.0	525.0	21,326.8
2002	5,106.4	7,264.0	8,834.8	1,012.1	451.2	22,668.5
2003	5,437.5	8,035.2	9,163.6	1,075.4	430.4	24,142.1
2004	5,650.9	7,768.2	10,079.7	1,117.0	438.1	25,053.9
2005	6,146.0	10,230.4	10,878.3	1,106.1	260.3	28,621.1
2006	6,236.2	10,017.8	11,312.7	1,103.0	169.3	28,839.0

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:
New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
EXPENDITURE SUMMARY FOR BUDGETED FUNDS*
PERCENT DISTRIBUTION BY MAJOR EXPENDITURE CATEGORY
FOR THE FISCAL YEAR ENDED JUNE 30

Fiscal Year	Direct State Services	Grants-In-Aid	State Aid	Capital Construction	Debt Service	Total
1997	31.4 %	24.8 %	38.8 %	2.3 %	2.7 %	100.0 %
1998	31.0	23.5	39.8	2.9	2.8	100.0
1999	25.9	27.8	40.3	3.3	2.7	100.0
2000	23.3	31.1	39.4	3.7	2.5	100.0
2001	23.5	29.1	39.4	5.5	2.5	100.0
2002	22.5	32.0	39.0	4.5	2.0	100.0
2003	22.5	33.3	38.0	4.4	1.8	100.0
2004	22.6	31.0	40.2	4.5	1.7	100.0
2005	21.5	35.7	38.0	3.9	0.9	100.0
2006	21.6	34.8	39.2	3.8	0.6	100.0

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:
New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
EXPENDITURES FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(Expressed in Millions)

Government Branch	Direct State Service	Grants-In-Aid	State Aid	Capital Construction	Debt Service	Total
Executive Branch						
Chief Executive Office	$ 4.9	$ --	$ --	$ --	$ --	$ 4.9
Agriculture	11.1	2.2	10.1	--	--	23.4
Banking and Insurance	65.6	--	--	--	--	65.6
Community Affairs	56.9	87.7	964.8	--	--	1,109.4
Corrections	930.6	132.9	--	2.8	--	1,066.3
Education	75.5	17.2	9,335.0	0.2	--	9,427.9
Environmental Protection	254.2	5.2	19.7	78.3	24.7	382.1
Health and Senior Services	96.2	1,696.8	9.3	0.3	--	1,802.6
Human Services	723.6	4,242.4	460.3	7.2	--	5,433.5
Labor and Workforce Development	97.3	44.2	1.5	--	--	143.0
Law and Public Safety	723.1	21.2	13.3	6.8	--	764.4
Military and Veterans' Affairs	89.5	1.4	--	0.7	--	91.6
Personnel	28.7	--	--	--	--	28.7
State	27.8	1,269.9	18.2	0.2	--	1,316.1
Transportation	106.9	273.8	34.4	805.0	--	1,220.1
Treasury	481.4	1,407.9	446.1	0.5	144.6	2,480.5
Miscellaneous	1.4	--	--	--	--	1.4
Inter-Departmental	1,829.6	815.0	--	201.0	--	2,845.6
Subtotal	5,604.3	10,017.8	11,312.7	1,103.0	169.3	28,207.1
Legislative Branch	75.3	--	--	--	--	75.3
Judicial Branch	556.6	--	--	--	--	556.6
Grand Total	$ 6,236.2	$ 10,017.8	$ 11,312.7	$ 1,103.0	$ 169.3	$ 28,839.0

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:
New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
FULL-TIME PAID EMPLOYEES

Department/Agency	January 2006	January 2005	January 2004
Executive Branch			
Agriculture	266	262	254
Banking and Insurance	506	501	481
Chief Executive's Office	93	109	111
Community Affairs	1,151	1,098	1,045
Corrections	9,417	9,419	9,257
Parole Board	720	714	652
Education	962	952	971
Environmental Protection	3,437	3,437	3,296
Health and Senior Services	2,172	2,151	2,136
Human Services	21,840	20,977	20,152
Labor and Workforce Development	3,777	3,765	3,672
Public Employees Relations Commission	34	36	34
Law and Public Safety	8,106	7,772	7,405
Election Law Enforcement Commission	75	53	45
Violent Crimes Compensation Board	47	49	48
Executive Commission on Ethical Standards	13	9	8
Juvenile Justice	1,776	1,774	1,705
Military and Veterans' Affairs	1,494	1,473	1,419
Personnel	375	442	399
State	198	199	185
Commission on Higher Education	17	19	19
Public Broadcasting Authority	158	159	159
Student Assistance	198	201	210
Transportation	6,669	6,448	6,049
Treasury	3,768	3,779	3,594
Casino Control Commission	346	349	350
Commission on Science and Technology	6	5	5
Office of Administrative Law	113	112	110
Office of Information Technology	950	938	923
Public Defender	1,094	1,044	951
Board of Public Utilities/Ratepayer Advocate	346	345	336
Miscellaneous Executive Commissions	2	2	2
Total	70,126	68,593	65,983
Legislative Branch	503	512	520
Judicial Branch (Administrative Office of the Courts)	1,876	1,837	1,797
Statewide Total Without Courts	72,505	70,942	68,300
Judicial Branch	7,680	7,587	7,546
Grand Total	80,185	78,529	75,846

Note:

Full-time paid employees were tabulated as of Pay Period No. 1 for each year displayed. Certain offices within departments have been reorganized throughout various fiscal years. These offices have been displayed in a manner that meets the current State organization chart.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2003	2002	2001	2000	1999	1998	1997
247	259	255	245	239	239	204
486	517	502	472	471	561	565
118	116	122	123	124	114	126
1,015	1,106	1,086	1,022	974	922	861
9,344	9,445	8,907	8,697	9,258	9,084	8,128
699	713	741	693	161	158	155
920	991	915	860	870	830	849
3,248	3,449	3,312	3,203	3,085	3,058	3,129
1,953	2,148	2,036	1,956	1,859	1,790	1,821
19,278	18,978	18,001	17,427	16,928	17,914	17,757
3,458	3,486	3,524	3,546	3,624	3,743	3,683
36	36	38	38	39	39	37
7,137	7,379	6,841	6,666	6,486	6,105	6,015
46	50	49	38	44	39	36
46	47	47	50	47	50	51
8	9	6	7	6	7	6
1,585	1,638	1,529	1,439	1,423	1,319	1,188
1,358	1,449	1,458	1,426	1,366	1,357	1,365
376	440	426	422	409	431	488
187	202	199	185	165	235	252
22	24	24	23	20	20	19
157	159	153	149	133	135	146
193	213	197	191	198	192	192
5,109	5,438	5,431	5,071	5,114	5,628	5,787
3,604	3,880	3,686	3,599	3,588	3,368	3,367
325	334	333	325	336	336	343
8	9	9	8	4	6	6
109	112	111	115	114	117	129
929	1,048	1,015	996	994	1,109	1,122
877	942	927	901	862	837	840
319	307	290	292	298	307	305
2	2	2	2	2	1	--
63,199	64,926	62,172	60,187	59,241	60,051	58,972
506	492	505	484	471	464	472
1,753	1,795	1,734	1,730	1,706	1,698	1,689
65,458	67,213	64,411	62,401	61,418	62,213	61,133
7,365	7,566	7,432	7,308	7,176	7,009	7,195
72,823	74,779	71,843	69,709	68,594	69,222	68,328

STATE OF NEW JERSEY
OPERATING INDICATORS

Department/Agency	2006*	2005	2004
Agriculture			
Farmland Preservation			
Cumulative acres permanently preserved	155,000	137,947	127,038
Corrections			
Average daily population - State Facilities	23,359	22,932	23,006
Parole Board			
Parolees under supervision	14,800	13,667	13,297
Total hearings	45,800	44,338	42,377
State hearings	29,500	29,007	26,902
Education			
Resident enrollment	1,448,232	1,446,815	1,441,748
Support per pupil	$14,951	$14,805	$13,234
Local	$7,967	$7,509	$7,103
State	$6,409	$6,032	$5,628
Federal	$575	$544	$503
Health and Senior Services			
Family Health Services			
Newborns screened-metabolic & genetic disorders	114,000	110,473	113,404
HealthStart (prenatal)	37,000	36,500	35,000
AIDS Services			
Number of clients tested and counseled	69,000	68,700	67,789
Pharmaceutical Assistance to the Aged & Disabled			
Aged: Average monthly eligibles	147,508	148,280	148,349
Aged: Annual prescriptions	5,965,224	5,838,243	5,477,045
Disabled: Average monthly eligibles	28,921	28,274	27,902
Disabled: Annual prescriptions	1,381,267	1,396,133	1,334,832
Children and Families			
Child Protective and Permanency Services			
Active caseload - children receiving services	59,200	64,300	63,300
Human Services			
Work First New Jersey			
Average monthly recipients	114,034	116,188	112,280
Average monthly grant	$130.78	$130.43	$129.06
Labor and Workforce Development			
Unemployment Insurance			
Covered workers	3,881,200	3,838,800	3,813,549
State Disability Insurance Plan			
Covered workers	2,837,800	2,804,700	2,790,000
Claims received	172,919	172,919	174,232
Law and Public Safety			
State Police Operations			
Criminal investigations	16,750	16,287	13,079
Accident investigations	45,500	45,001	41,263
General investigations	805,000	802,280	565,156
Transportation			
Motor Vehicle Services			
Registrations and title documents issued	10,238,176	10,202,096	10,386,777
Total licensed drivers	5,668,712	5,668,712	5,741,036
Total registered vehicles	6,756,176	6,781,736	7,055,501
Total NJ inspections/reinspections	3,254,970	3,000,324	3,171,458

***** Fiscal Year 2006 amounts are estimates.

Source:
New Jersey Department of the Treasury, Office of Management and Budget.

2003	2002	2001	2000	1999	1998	1997
110,476	94,806	80,381	66,375	53,478	47,301	37,198
22,867	22,561	23,109	24,946	25,005	22,213	20,535
13,234	12,867	12,266	13,834	16,406	18,645	19,100
39,910	42,060	47,265	35,300	35,617	38,692	38,726
25,481	27,734	37,564	25,002	23,650	26,399	25,941
1,424,773	1,395,131	1,357,160	1,327,643	1,298,927	1,278,220	1,216,556
$12,505	$11,834	$11,909	$10,833	$10,962	$10,445	$10,385
$6,702	$6,375	$6,424	$6,013	$6,161	$6,071	$6,217
$5,344	$5,044	$5,138	$4,594	$4,571	$4,165	$3,976
$459	$415	$347	$226	$230	$209	$192
113,032	112,666	111,795	110,815	111,578	110,562	112,904
31,000	30,103	31,000	32,000	31,000	30,200	37,255
67,067	61,969	62,577	57,260	66,192	65,847	68,744
147,841	150,280	140,023	137,305	141,382	142,810	147,448
5,304,535	4,995,313	4,603,956	4,415,742	4,580,777	4,318,574	3,802,082
27,247	26,933	24,728	23,400	22,747	22,256	22,169
1,258,811	1,193,426	1,080,119	1,031,940	982,670	908,044	805,839
51,026	51,040	50,630	49,961	51,862	49,700	50,648
107,143	112,773	123,236	146,090	178,114	231,273	277,934
$128.12	$128.82	$126.19	$123.41	$125.69	$128.56	$129.27
3,778,630	3,801,600	3,883,400	3,772,368	3,668,800	3,590,743	3,502,300
2,764,500	2,781,200	2,804,900	2,760,200	2,662,600	2,636,800	2,576,600
170,958	164,627	167,405	166,393	162,603	163,397	162,799
12,552	11,954	11,385	13,833	15,394	20,246	21,070
39,724	37,833	33,368	32,714	29,948	27,171	27,049
573,098	582,204	640,337	627,782	611,657	623,493	649,452
10,558,682	10,320,282	10,156,100	10,232,544	10,346,894	9,951,672	10,117,080
5,706,951	5,713,520	5,737,000	5,736,996	5,682,425	5,711,263	5,681,164
7,302,521	7,043,077	6,924,006	6,774,155	6,393,435	6,057,035	6,249,705
3,243,086	3,545,739	3,272,085	3,521,091	4,571,056	6,105,284	6,031,238

STATE OF NEW JERSEY
CAPITAL ASSET STATISTICS
FOR THE FISCAL YEAR ENDED JUNE 30

Function	2006	2005	2004	2003	2002
Public safety and criminal justice					
Adult and juvenile correctional institutions	38	39	39	39	39
State police stations	35	35	35	35	38
State police officers	2,963	2,823	2,669	2,664	2,769
Motor vehicle facilities	80	80	80	80	80
Number of active armories	33	33	33	33	33
Total land acres dedicated to function*	6,670	6,656	6,656	6,656	6,656
Total buildings dedicated to function*	1,418	1,405	1,393	1,374	1,348
Physical and mental health					
Number of mental health facilities	5	6	6	6	6
Average daily population*	2,303	2,284	2,237	2,240	2,211
Total land acres dedicated to function*	860	855	841	841	841
Total buildings dedicated to function*	321	319	319	318	314
Educational, cultural, and intellectual development					
Number of schools*	30	30	30	30	31
Number of developmental centers	7	7	7	7	7
Average number of residents	3,061	3,096	3,145	3,233	3,365
Total acreage dedicated to function*	4,749	4,749	4,749	4,749	4,723
Total buildings dedicated to function*	528	525	523	522	518
Community development and environmental management					
State parks, historic sites, natural areas, marinas, other	150	146	146	146	146
Land preservation acres (easements/farmland)	67,196	53,900	50,578	37,247	32,667
Total acreage dedicated to function (includes preservation)*	706,097	685,450	661,610	653,214	640,321
Total buildings dedicated to function*	1,953	1,939	1,928	1,910	1,895
Economic planning, development, and security					
Number of residential centers	3	3	3	3	3
Number of group homes*	842	842	842	842	842
Total acreage dedicated to function*	843	843	843	843	843
Total buildings dedicated to function*	912	897	891	886	882
Transportation programs					
Lane miles, state highways	11,178	11,120	11,107	11,073	11,061
Bridges, state highways	2,581	2,364	2,366	2,349	2,367
Facilities*	89	89	89	89	89
Total acreage dedicated to function*	52,572	52,571	50,629	48,879	48,833
Total buildings dedicated to function*	450	441	430	429	420
Government direction, management, and control					
Total acreage dedicated to function*	3,083	3,083	3,083	3,080	3,078
Total buildings dedicated to function*	339	332	327	327	326
Special government services					
Veteran homes	3	3	3	3	3
Veterans in residence	875	815	786	767	815
Total acreage dedicated to function	54	54	54	54	54
Total buildings dedicated to function*	30	27	27	27	27

Notes:

* Data for 2002 through 2005 has been revised.

** GASB No. 34 was implemented for the Fiscal Year ended June 30, 2002. Therefore, prior information is unavailable.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

NEW JERSEY HISTORICAL FACTS AND FIGURES

The State was one of the original thirteen colonies and was the third state to ratify the United States Constitution in 1787. The original State Constitution was adopted on July 2, 1776 and was subsequently superseded by the State Constitution of 1844. A new State Constitution was prepared by a constitutional convention in 1947 and was ratified by voters of the State in the general election held on November 4, 1947.

The State Constitution establishes a bicameral legislature, which meets in annual sessions in Trenton, the State capital. Members of the State Senate are elected to terms of four years, except for the election following a decennial census, in which case the term is for two years. The members of the General Assembly are elected to two-year terms. The Governor is elected to a term of four years.

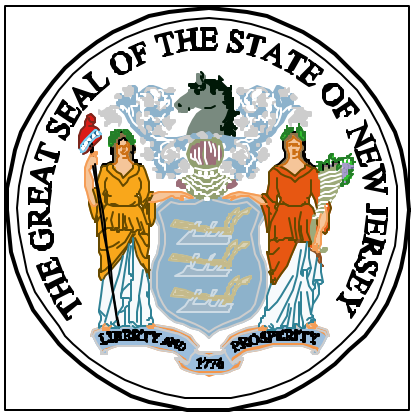
The State ranks fifth smallest in size, with an area of 7,418.8 square miles. The estimated population as of July 1, 2005 was 8,718,000 making New Jersey the ninth largest state in population, and the most populated of all the states, with an average of 1,175 people per square mile.

As of June 30, 2006 there were 16 departments of the Executive Branch of State Government. Effective July 1, 2006 a new department, Children and Families, was created to bring the total number of executive branch departments to 17. The maximum number of executive branch departments permitted by the State Constitution is 20.

The higher education system in New Jersey includes 26 private colleges, 19 community colleges, as well as 12 State institutions.

The State Seal

Pierre Eugene du Simitiere designed the State Seal and presented it in May 1777 to the Legislature. The three plows in the shield honor the state's agriculture tradition. During the Revolutionary War, New Jersey's economic power, as well as its military significance, was based on the fact that it was the breadbasket of the Mid-Atlantic region. Continental and British soldiers in the state were engaged in skirmishes aimed at securing exclusive access to New Jersey's farm stores and livestock herds as a source of army provisions. The helmet on the State Seal above the shield faces forward, an attitude denoting sovereignty and thus particularly fitting for one of the first governments created under the notion that the state itself is the sovereign. The helmet is also a symbol for the importance of human intelligence and honor to the affairs of state. The crest above the helmet is a horse's head. New Jersey was and still is a major center for horse breeding. The equestrian head also symbolizes the attributes of strength, speed, and utility in war or commerce. The supporting female figures are Liberty and Ceres. Liberty, on the viewer's left, carries a staff with the same kind of "Liberty cap" worn as a symbol of rebellion by patriots throughout the colonies. Ceres, the Roman goddess of grain, holds a cornucopia filled with harvested produce representing the extraordinary fertile soils and natural abundance of the state's fields, forests, and waters. Below them is a scroll bearing the motto "Liberty and Prosperity," and the year of statehood, 1776.



The State Flag

The official colors of New Jersey for use on the state flag and for other purposes were established by statute as buff and Jersey blue.

Other Legislative Designations

The State Fruit is the blueberry. The State Flower is the violet. The Eastern Goldfinch is the State Bird. The State Animal is the horse, while the State Fish is the brook trout. The knobbed whelk, commonly known as the conch is the State Shell. The red oak is the Official State Tree, while the dogwood is the State Memorial Tree. Inspired by a group of schoolchildren and not even classified as a bug, the honeybee was designated as the State Bug. The State Folk Dance is the square dance. The State Dinosaur is the Hadrosaurus Foulki, a 25-foot-long, duck-billed creature that was unearthed in a Haddonfield, New Jersey marl pit in October 1858, by William Parke Foulke.

The State Tall Ship is the A.J. Meerwald, a Delaware Bay oyster schooner launched in 1928. The ship is constructed of oak planks laid over oak frames, is 115 feet long, has a beam of 22 feet, 3 inches, and weighs 57 tons. In 1942, the tall ship was commandeered by the Maritime Commission under the War Powers Act for use by the Coast Guard as a fireboat. Five years later, it was returned to its owners and used as an oyster dredge, under power, without sails, until the industry vanished in 1957. The A.J. Meerwald was used as a clam dredge from 1959 until 1989, when it was turned over to The Delaware Bay Schooner Project. Today, the A.J. Meerwald serves as a floating classroom, promoting ecological and historical awareness of the bay and the waters of New Jersey.